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Braveheart

# Herald Tribune

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## EU Jobs Crisis: What to Do and How to Pay?

By Tom Buerkle  
International Herald Tribune

BRUSSELS — Despite overwhelming pressure before a major summit meeting to do something to stem Europe's rising tide of unemployment, European Union leaders remain deeply divided about the need for new initiatives and the availability of money to fund them.

The potential for controversy was underscored Wednesday by a French memorandum urging European partners to agree to put employment at the center of all EU policies when the bloc's lead-

ers gather in Turin on Friday to open a yearlong intergovernmental conference on EU reform.

"When 18 million are out of work and more than 50 million are threatened by social exclusion, the European Union's duty is to respond to its people's worries," the French paper said.

Although no one would disagree with that, the prescriptions offered by the government of Prime Minister Alain Juppé are hotly contested.

The French paper urges a harmon-

ization of social conditions across the Union, which is a prime objective of most EU members.

But the idea is opposed by Britain, which fought hard in negotiating the Maastricht Treaty on European Union to win an exemption from EU laws on working conditions.

The French paper also hints at support for new measures in the EU's governing treaties to favor job creation, a notion that the European Commission and Sweden plan to put forward in Turin.

Treaty changes are opposed, however, by Germany and other states,

which consider them at best as meaningless and at worst as a guise for protectionism and weakening the rules for a single European currency.

Transferring the responsibility for job creation from national capitals to EU headquarters in Brussels "leads to absolutely incalculable financial risk," said Werner Hoyer, the deputy foreign minister who will negotiate for Bonn at the intergovernmental conference.

The French paper also called on the EU to defend a "European social model" and make job creation a "deter-

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## Muslim-Croat Rifts Jeopardize Future Of Bosnia Accord

By John Pomfret  
Washington Post Service

CHECKPOINT ALPHA, Bosnia-Herzegovina — Four months after agreement on a treaty designed to bring peace throughout Bosnia, the federation of Muslims and Croats promoted by the United States as a counterweight to the powerful Serbs is beginning to fall apart.

The prospect of failure for the Muslim-Croatian federation bodes badly for the success of the Dayton peace plan and for the ideal of a multiethnic Bosnia that the treaty held out as its goal. The accord relies on the federation as one of two cornerstones of a peaceful Bosnia. The other is the Serbian entity.

Faced with this possibility, the North Atlantic Treaty Organization and the United Nations appear unsure about what to do. For instance, instead of challenging Croatian or Muslim officials on such issues as the freedom of movement among ethnic zones guaranteed in the Dayton accord, the foreign peacekeepers allow checkpoints to block traffic and extort money.

In a sign of the problems threatening the peace process, Foreign Minister Klaus Kinkel of Germany on Wednesday canceled a meeting of Bosnian Muslim and Croatian leaders because the sides were too far apart to have substantive talks. Page 6.

[And in Washington, NATO's military commander said Wednesday the alliance was concerned about the survival of the Muslim-Croatian federation. Reuters reported. "It has always been very fragile," said General George Joulwan. "That has been a constant concern at every meeting I've been to, particularly from Rome to Geneva, to Moscow."]

Few if any of the numerous agreements between the Muslims and Croats have been carried out, meanwhile, and few if any of the men who started the war that raged between Muslims and Croats from late 1992 to 1994, before the United States brokered a truce, have been replaced.

The Croatian rebel state of Hercego-

Bosnia continues to exist, although it was supposed to have been disbanded in January. The Muslims persist in maintaining a secret police force beyond federation control even though it violates the federation's constitution. The two sides have been unable to agree on a flag, stamps, schooling, electricity use, telephone rates, customs levies, a commander for their supposedly joint army and a host of other issues.

Ti-for-tat ethnic cleansing and house burning, which U.S. officials had insisted were a vestige of the past, have recommenced. Muslim authorities recently expelled an 84-year-old Croatian woman from her house in Bugojno in central Bosnia. Croatian authorities responded by burning three Muslim houses in the nearby town of Jajce. A pilot project for the return of 600 Muslim and Croatian families to their homes in central Bosnia that was supposed to be carried out in November has yet to be completed.

"The federation reminds me more and more of the Madonna at Medjugorje," said the Bosnian writer Gojko Beric, referring to the Catholic pilgrimage site in southwestern Bosnia. "She appears rarely to true believers but never to the rest of us."

The West's confusion about how to solve the federation's problems was evident here at Checkpoint Alpha, a Croatian post three kilometers outside Mostar in southwestern Bosnia.

Superintendent Leif Bjorken, chief of the United Nations International Police Task Force in Mostar, first asked Croatian police for permission for a group of returning Muslim refugees to drive buses through the checkpoint, although nothing in the Dayton agreement gives any of the factions the right to stop traffic.

Theo he allowed the Croatian police to set conditions on a trip to the nearby towns of Capljina and Stolac, despite Dayton provisions guaranteeing freedom of movement.

Superintendent Bjorken also said he was negotiating directly with the Ministry of Interior of the Croatian rebel

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## Cracks Appear In Germany's Rigid Union Bargaining

By John Schmid  
International Herald Tribune

FRANKFURT — When a German architecture critic used the term "mighty fortress" a few days ago to describe plans by Germany's IG Metall metalworkers' union to erect a 20-story Frankfurt headquarters with rampart-like foundations, the irony was unintended.

But it was not lost on economists and other observers of the biggest union in the Western industrial world.

IG Metall, in fact, will be a much less mighty institution by the time its huge headquarters is finished in the year 2000, they say. It will have lost thousands of its members and failed to save the metalworking and machinery jobs that are fleeing Germany.

Germany's biggest union appears to have lost a huge bet. The vaunted "Alliance for Jobs" campaign it launched last year has failed to create a single job, its critics charge.

Perhaps worse, the campaign inadvertently handed German business the opportunity to loosen the straitjacket of inflexible German work rules by dealing directly with their workers' councils, not the national IG Metall union itself.

In recent weeks, the national union leaders have stood by as Mercedes-Benz, Porsche, Deutsche Babcock, Robert Bosch and Bayerische Motoren Werke and others have cut their own deals under the broad and increasingly ambiguous Alliance for Jobs banner.

The flurry of company-specific accords, each negotiated with in-house workers' councils and not with the national union leaders, has cracked Germany's system of universal wage contracts, a time-honored collective bargaining system that has dominated labor relations in this highly unionized nation since the war.

This week, IG Metall was forced to vigorously defend the system, which allows the union's national leaders to dictate identical terms for about 19,000

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GUILTY — Yigal Amir, the confessed assassin of Yitzhak Rabin of Israel, standing as a judge at his trial in Tel Aviv pronounced him guilty of premeditated murder. He was sentenced to life in prison. Page 6.

## EU, Spurning Appeal, Imposes Ban on British Beef Exports

By John Danton  
New York Times Service

LONDON — Reacting to fears that "mad cow disease" may have entered the human food chain, the European Commission on Wednesday imposed a six-week worldwide ban on British beef and a host of British beef products ranging from medicine to cosmetics.

Although coupled with an offer of financial aid, the move was a rebuff to Britain by its European partners and a serious blow to its \$6.5 billion beef

industry. It made it virtually certain that the government, already under fire for its handling of the beef crisis, will be forced to order at least a partial slaughter of older cattle among the nation's 11-million herd.

Britain made it clear on Wednesday that it was considering various proposals for a culling of the animals but merely, it emphasized, as a measure to win back consumer confidence and not because it considers the beef itself unsafe to eat.

"The argument has moved on," said Stephen Dorrell, the Health Secretary. "The issue is no

longer the question of the safety of British beef. The question now is consumer confidence."

One plan being looked at came from the National Farmers' Union, the main body representing British farmers. It called for dairy cows and breeding cattle to be destroyed at the end of their productive lives, when they would otherwise be slaughtered for meat that goes into soups and low-grade meat pies. Such a plan, the farmers' union said, would involve about 850,000 cows in the first year, at a cost of about \$450 million (\$685 million) and should be in place for five years.

The crisis was ignited a week ago when Mr. Dorrell told the House of Commons that a scientific advisory panel had reported that the "most likely explanation" for a new variant of Creutzfeldt-Jakob disease, a fatal brain disorder, was exposure to a similar disease in cattle. For 10 years, the government had vigorously denied any link between CJD and bovine spongiform encephalopathy, or mad cow disease.

The following day France and other European

See BEEF, Page 6

## An Asian Tycoon Who Looks Within Malaysian Industrialist Builds on Self-Reliance and Nationalism

By Edward A. Gargan  
New York Times Service

KUALA LUMPUR, Malaysia — It isn't often that across-the-board rejection by swaggering American and European investment banks warms a developer's heart. But Francis Yeoh Sock Ping acts as if it is the best thing that has ever happened.

Refusing to capitulate to the foreign bankers' terms for financing his 1,200-megawatt power project, Mr. Yeoh instead found a way to borrow the \$1.1 billion through Malaysian institutions. As a result, he said, he saved the project

money and provided power for 25 percent less.

"You should use resources from your own country," Mr. Yeoh said. "The net result is better for the people."

Such self-reliance, shot through with a strong dose of nationalism, is a hallmark of Mr. Yeoh, who heads one of Malaysia's largest project-development conglomerates, YTL Corp. With interests in power projects, property development, manufacturing and hotels and resorts, the company, named for Yeoh Tiong Lay, Mr. Yeoh's father, is at the heart of Malaysia's boom.

In his climb to the top ranks of Malaysia's corporate giants, Mr. Yeoh has weathered restrictive government policies, cold shoulders from global banks and the threat of guerrilla war and has earned a reputation as an innovative and risk-defying tycoon.

Despite being an ethnic Chinese Christian in a predominantly Muslim, Malay chauvinist state, he has managed to thrive. Indeed, like virtually all cor-

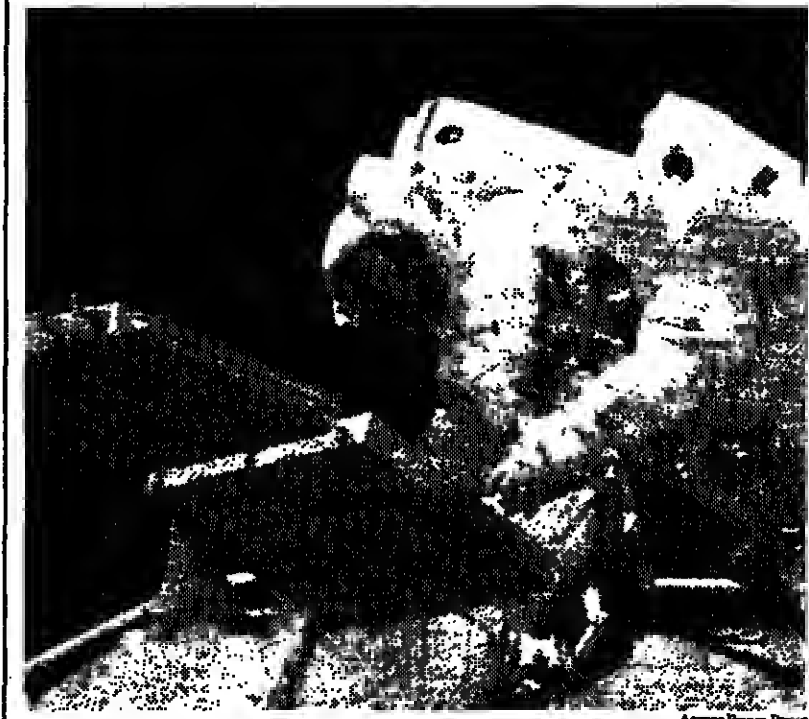
porate heavyweights here, he is a familiar presence in the halls of political power, and is an intimate of Prime Minister Mahathir bin Mohamad.

That symbiosis of political power and entrepreneurial energy is a phenomenon that has spread through much of Southeast Asia and helps explain the region's economic dynamism. While acknowledging the potential for corruption, some analysts say that such alliances of mutual advantage are well suited to Asia's authoritarian tradition.

Governments in the area rarely live up to the human-rights ideals espoused by the United States and Europe, but they embrace Western-style capitalism with passion.

Indeed, many Southeast Asian politicians view the success of their business protégés as the key to holding power. In Indonesia, for example, the Suharto family is closely involved in many government contracts and concessions.

See POWER, Page 4



COOPERATION — The U.S. astronauts Rich Clifford, left, and Linda Godwin opening a panel Wednesday on Russia's Mir station.

## AGENDA Egypt Air Flight Forced to Libya

CAIRO (AP) — Three hijackers surrendered Wednesday after forcing an Egypt Air jetliner with 152 passengers and crew to land in Libya and demanding a meeting with Moammar Gadhafi, airport officials said. One hijacker was armed, the police said, but no injuries were reported.

The Airbus A320 was en route from Jeddah to Cairo and had stopped in Luxor, Egypt. It was forced to land in Tobruk, Cairo airport officials quoted Libyan aviation authorities as saying the trio surrendered to military officers.

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Italy	2.800 Lire	Tunisia	1.250 Din
Kenya	1.250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	\$1.20

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## Even Old Couples Aren't Immune to Bickering's Dark Forces

By Sally Squires  
Washington Post Service

WASHINGTON — Marital spats can weaken the immune system even in couples who have been married happily for decades, Ohio State University researchers report in a study of 31 older couples, aged 55 to 75, who had been married for an average of 42 years.

An Ohio State University psychologist, Janice Kiecolt-Glaser, an immunologist, Ronald Glaser, and a physician, William Malarkey, found that arguments were linked with an increased level of stress hormones. Over long periods of time, increased levels of these hormones can make in-

dividuals more susceptible to infectious diseases and other ailments, including cancer.

Previous studies of newlyweds have shown similar changes in the immune system during disagreements or fights. But this is the first study to suggest that hostile arguments also can be detrimental to the immune systems of long-married couples.

"It's not as though these are angry, nasty or unhappy people," said Ms. Kiecolt-Glaser. "But the way these people are arguing is affecting their physiological responses."

Nearly all participants were happily married—only 13 percent met the criteria for a marriage in distress. The couples participated in an eight-hour

testing session, during which each person had an intravenous tube inserted in the arm to allow researchers to take blood at regular intervals. Based on responses from questionnaires, the researchers initiated discussions with the couples in such problem areas as finances, in-laws and children.

The researchers then left and gave the couple 30 minutes to try to resolve the problem. All discussions were videotaped and blood was regularly drawn from each member by nurses who sat behind a curtain so that the couples' discussions would not be interrupted.

The study found that blood levels of three stress hormones rose with escalating conflict between the couple and stayed elevated for at least 15

minutes after the argument ended. The rise in hormone levels was lower among men and not statistically significant. But levels rose significantly among women, suggesting, Ms. Kiecolt-Glaser said, that "women are much more sensitive to negative or hostile interactions. They are much more responsive to them."

Even so, the researchers did not expect that the marital spats would take such a toll among long-married couples.

"We thought that these arguments would have less impact because they've gone through these disagreements many times and have learned to deal with them," Ms. Kiecolt-Glaser said. "But that's not the case."







# A Shadow Over Chile Drug Trade Grows With the Economy

WASHINGTON — A shadow of the drug trade looms over Chile as the country's economy begins to recover from the devastation of the 1980s. The drug trade, which was once a small-scale operation, has grown into a major industry, with the United States and Europe being the primary markets. The drug trade has become a significant source of revenue for the Chilean government, but it has also led to a rise in crime and corruption. The drug trade has become a major problem for the Chilean government, and it is now facing a difficult choice: whether to continue to rely on the drug trade for revenue or to take steps to curb it.

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## I'm the Nominee, Dole Announces But California Victory Fails To Answer Strategy Question

By Dan Balz  
Washington Post Service

LOS ANGELES — Senator Bob Dole has easily won the California primary and exuberantly claimed the Republican presidential nomination. But his appearance at a victory party across the continent in Washington helped symbolize the gulf that still exists between Mr. Dole and many voters in California, the state with the biggest electoral prize in November.

The senator from Kansas also won primaries in Washington state and Nevada on Tuesday as he rolled up more convention delegates and accelerated the process of unifying the party for the fall. The victories make it more difficult for Patrick J. Buchanan to offer serious resistance to Mr. Dole the rest of the spring.

Appearing at a rally before the polls closed in the West, Senator Dole told his cheering supporters in Washington, "I'm so confident, I'm going to declare right now that I am the Republican nominee."

He added, "The battle for the Republican nomination is over and the battle for America's future begins tonight."

His performance improved his primary record in March to 25 victories without a loss, and the Republican National Committee's chairman, Haley Barbour, said Tuesday night that the party should turn its attention to the fall campaign against President Bill Clinton.

Mr. Dole, who has far more delegates than he will need for nomination in San Diego in August, signaled his desire to turn his attention to the fall campaign by saying that he

now will start thinking about selecting a running mate and planning the convention.

With the California primary behind him, Mr. Dole soon will face a costly and difficult decision about just how hard he will compete to win in California in November. Polls show Mr. Clinton with a lead of about 20 percentage points, and the prospect of another independent presidential candidacy by Ross Perot, who has begun to raise his profile now that the Republican race is settled, further clouds Mr. Dole's prospects in a state with 54 electoral votes.

On Sunday, Mr. Dole vowed to "fight to the bitter end" in California. Republicans and Democrats agreed that the race would tighten over the summer and that Mr. Dole faces an uphill climb.

Four years ago, President George Bush wrote off California in a decision that handed the state cost-free to Mr. Clinton and devastated Republican candidates running for Congress and the state legislature. But every dollar spent here is a dollar not available for what could be more crucial states.

Mr. Clinton begins the contest with a number of clear advantages.

He has visited the state 23 times since he became president and has poured billions of dollars into disaster relief and economic assistance for the state.

"People think he understands the state," said a Democratic strategist, Bill Carrick, who is expected to help guide the Clinton reelection campaign here in the fall.

"He's not a remote Washington president."

### Results From Tuesday's Primaries

How the leading Republican candidates scored

	California	Nevada	Washington
Bob Dole	66%	52%	63%
Patrick J. Buchanan	19%	15%	21%

Source: AP



Senator Dole telling supporters, 'The battle for America's future begins tonight,' after the vote in California.

## For Buchanan, 'The Cause Goes On'

By David Broder  
Washington Post Service

COSTA MESA, California — Five weeks after his victory in the New Hampshire primary sent shock waves through the Republican Party, Patrick J. Buchanan has conceded that his quest for the party's presidential nomination is over and he has offered his congratulations to the winner, Senator Bob Dole.

But he told an enthusiastic band of several hundred supporters here that "the cause goes on," and he vowed to carry his message to the Republican National Convention in August in San Diego.

Mr. Buchanan gave no indication in his remarks to the last rally of his campaign Tuesday night that he was considering a third-party or independent presidential bid this fall, and a sampling of those who turned out to cheer him found strong opposition to any move that would split the Republican vote and aid the re-election of President Bill Clinton.

Clearly touched by the devotion of the followers who filled the room with cheers, despite the defeats he suffered in California, Nevada and Washington on Tuesday, Mr. Buchanan said, "No campaign in America has the fire and the heart and the enthusiasm I see here tonight."

After 25 second-place finishes and victories only in the New Hampshire primary and the Louisiana caucuses among the contests that bound delegates, Mr. Buchanan said ruefully, "I have more silver medals than anyone in America."

For now, Mr. Buchanan is headed back to his home in McLean, Virginia, to take up the self-assigned task of writing a "manifesto" that will serve as his agenda of demands for the endorsement of the Dole camp hopes he will deliver, come convention time.

In his speech and in recent interviews, Mr. Buchanan has outlined the major provisions he wants written into the platform and incorporated into Mr. Dole's campaign.

They include an unaltered version of the party's pledge to ban abortion by constitutional amendment, an end to "trade deals that sell out American jobs," stepped-up measures to end illegal immigration and reduce the number of legal immigrants, and a guarantee of "a living wage" for workers that he says have been victimized by greedy corporate bosses.

How far Mr. Dole can go — or should go — to placate Mr. Buchanan is a matter of debate in the Dole organization. Mr. Buchanan has won roughly two votes for every five that have gone to Mr. Dole in the primaries, but apparently will have barely more than 5 percent of the delegates in San Diego because of rules that favor the leading candidate in the allocation of delegates.

As the inevitability of Mr. Dole's nomination has become clearer, Mr. Buchanan increasingly has muted talk of leaving the Republican Party and running on his own. While not formally forswearing that option, he has reiterated his consistent history of backing Republican candidates.

The Associated Press quoted him as saying that if Mr. Dole were to offer him the vice presidential nomination, he would consider taking it in order "to unite all the disparate forces" in the party and keep a "Rockefeller Republican" moderate from that prize.

### POLITICAL NOTES

#### Buchanan's Out, Europe's Glad

PARIS — Europeans breathed a guarded sigh of relief Wednesday after Senator Bob Dole elbowed aside Patrick J. Buchanan to clinch the Republican presidential nomination, but awaited clues on his stand on European issues.

"Let the best man win," said a French official, adding: "Some of Buchanan's positions went in the direction of isolationism and even racism. These did not correspond to the role that we hope the United States will take in the world."

But government officials, financial analysts and academics cautioned that the Senate majority leader, whom European leaders rubbed shoulders with in 1994 at the 50th anniversary of the Allies' D-Day landing in Normandy, had revealed little or nothing of his platform on European affairs.

All doubted that the tenacious Kansas veteran would beat President Bill Clinton in the November election, saying his slight chances of success would be yet slimmer if the Texas billionaire Ross Perot joined the race.

"Dole on Europe? I don't know. Perhaps you can tell me more," said the Paris official. "But he is a well-known figure in Europe because of his Senate post."

In Brussels, an EU diplomat said Mr. Dole was less worrying than Mr. Buchanan.

"We haven't made up our minds whether Dole or Clinton would be better for Europe," he said. "Dole has a very solid reputation; solidly to the right, that is, but without the populist connotation of Buchanan or Perot."

(Reuters)

#### California Voters: Disgruntled

LOS ANGELES — California voters, who turned out in record low numbers, overwhelmingly rejected two business-backed proposals to create no-fault auto insurance and discourage shareholder lawsuits. A companion measure to cap certain lawyers' fees lost by a whisker Tuesday.

Hounded by criticism for failing to convict O.J. Simpson, District Attorney Gil Garcetti of Los Angeles landed in a November runoff after failing to get more than 50 percent of the vote.

In other races, a measure that cleared the way for the resumption of sport hunting of cougars was defeated, and a San Francisco plan to build a new baseball stadium for the Giants was approved. About 6 million, or 41 percent, of California's 14.5 million registered voters went to the polls.

(AP)

#### Weicker May Toss Hat in Ring

HARTFORD, Connecticut — Lowell P. Weicker Jr., the Republican-turned-independent who took on the Nixon White House and pushed through Connecticut's first income tax, is flirting anew with a possible run for president.

A former Republican U.S. senator and third-party Connecticut governor known for his maverick style, Mr. Weicker has been talking with advisers and family about launching a long-shot independent bid for president.

(AP)

#### Quote/Unquote

Haley Barbour, the chairman of the Republican National Committee, making it clear that the party would not tolerate a show of divisiveness from Patrick J. Buchanan at the San Diego convention this summer: "I don't know what kind of controls they had in 1992, but at this convention, good management means you'll know what every speaker is going to say from opening gavel to closing farewell."

(AP)

## More Nixon Tapes Set for Release

By Tim Weiner  
New York Times Service

WASHINGTON — More than 3,000 hours of secretly recorded Nixon White House tapes, a hidden history locked in the National Archives for a generation, will soon begin to become public, according to people litigating over them.

The tapes, made from February 1971 to July 1973, have been heard by only a few archivists. They record some of the more dramatic passages of any American presidency — détente with Russia, the opening to China, backstabbing political intrigues — and the abuses of power that drove Richard M. Nixon from office in August 1974.

To date, only 63 hours of the tapes that President Nixon recorded at the White House, at the Old Executive Office Building next door to the White House and at Camp David in Maryland have been made public.

Among them are the reels that led to his downfall, including his response to demands for hush money from the White House operatives arrested in the Watergate break-in: "You could get a million dollars. And you could get it in cash. I know where it could be gotten."

The rest, according to Christopher Beam, an archivist who spent five years in a windowless room at the National Archives transcribing hundreds of them, "are fascinating — the best record of the Nixon administration, and a godsend for historians, not only of Watergate, but domestic politics, the 1972 election, the whole area of foreign policy and diplomacy."

Their release may solve many mysteries that still shroud such subjects as Mr. Nixon's decisions to bomb Cambodia and to dismiss Senator Bob Dole as chairman of the Republican National Committee.

Mr. Nixon filed the first in a series of lawsuits to block the release of the tapes

two months after he resigned. More than 20 years of litigation have followed, even after his death in April 1994.

But a settlement in the tangled tapes case may be reached by next month, according to court records.

[A spokeswoman for the National Archives said Wednesday that it was premature to say the tapes could be released soon, Reuters reported. "We are working with the other parties under court-ordered mediation," said Susan Cooper. She declined to say when the tapes would be made public.]

Mr. Beam said that although the tapes were not of the best sound quality, their overall effect was extraordinary.

"You're a fly on the wall, listening not only to what was said, but how it was said," he said. "Historians will want them for the same reasons the Watergate special prosecutor did. And Nixon fought to keep these tapes from them for the same reason he fought to prevent their release to the special prosecutor."

## David Packard Dies, Silicon Valley Giant And a Philanthropist

By Julie Pitta  
Los Angeles Times Service

LOS ANGELES — David Packard, 83, co-founder of Hewlett-Packard Inc., patriarch of Silicon Valley and one of the most influential figures in American business, died of pneumonia Tuesday at Stanford University Medical Center in Palo Alto, California.

He and a former Stanford classmate, William Hewlett, founded their electronics company in 1939 with a borrowed \$538 in a rented garage, building it into Silicon Valley's largest employer with 100,000 workers and more than \$31 billion in revenues last year.

Such Packard ideas as "management by walking around" — or showing management's face in the workplace — and "management by objective" — or setting goals — are staples of business schools the world over. And Hewlett-Packard has maintained a leadership role in the electronics industry even as many longtime rivals proved unable to keep up with fast-changing technologies.

Mr. Packard also made his mark in politics, serving three years as deputy secretary of defense under President Richard M. Nixon. He was also a philanthropist, supporting projects ranging from the Monterey Bay Aquarium in Monterey, California, to Stanford University's Lucile Salter Packard Children's Hospital.

The David and Lucile Packard Foundation, with reported assets of \$2.3 billion, last year distributed \$116 million to more than 700 recipients.

All of Mr. Packard's 9.1 percent or 46.6 million shares of Hewlett-Packard will go to the foundation.

He studied electrical engineering at Stanford and it was there that he made two important friendships: with Mr. Hewlett, whom he met during his freshman year, and with a young professor named Fred Terman, who encouraged the two to think about starting their own company.

### Away From Politics

Manuel Noriega, the ousted Panama leader, is not entitled to a new trial, a federal judge in Miami ruled. Defense attorneys argued that his trial was tainted by witnesses with ulterior motives — one who took \$1.25 million in bribes from the Cali drug ring to turn himself in and testify, and another who said he had been promised a greatly reduced prison sentence. But Judge William Hovever of U.S. District Court sided with prosecutors who contended the verdict would have been the same regardless of the flaws claimed by the defense.

(AP)

Heart disease is far more likely to be deadly in blacks than in whites, even when they have equal access to the best care, a new study has found. Researchers at Duke University followed up on 12,402 patients — 10 percent of them black — at the university hospital who had blockages in heart arteries, the major underlying cause of heart disease. Five years later, 27 percent of the blacks had died, compared with 20 percent of the whites.

(AP)

Doctors seeking a new treatment for congestive heart failure have come upon an unlikely candidate: human growth hormone. A small, preliminary study in Boston raises the possibility that this genetically engineered protein makes the walls of the heart grow thicker so it will beat more strongly.

(AP)

A police officer, shot four times in the back by a fellow officer who confused him with a crime suspect, said he would ask a judge to spare his colleague from jail. "Things happen; let's get on with our lives," said the victim, Desmond Robinson, after a jury in New York City convicted Peter Del-Debbio of second-degree assault in the 1994 shooting. Mr. Del-Debbio could receive a maximum of two and one-third to seven years in prison when sentenced on May 22.

(AP)

## Supreme Court Curbs Suits Against States

By Linda Greenhouse  
New York Times Service

WASHINGTON — Escalating its profound and divisive debate over the relationship between the states and the federal government, the Supreme Court on Wednesday sharply curbed the authority of Congress to subject states to suits in federal court.

The 5-to-4 ruling came in a case challenging the constitutionality of a 1988 law permitting Indian tribes to sue states in federal court for failing to negotiate in good faith over the operation of gambling casinos on tribal land. In an opinion by Chief Justice William H. Rehnquist, the court ruled Wednesday that this portion of the law, the Indian Gaming Regulatory Act, was an unconstitutional incursion on state sovereignty.

With respect to Indian gambling, the paradoxical effect of the opinion will probably be to make it easier for the tribes to open their casinos, by getting authorization directly from the Interior Department rather than dealing with the states. The decision left unanswered many important questions about the Indian gaming act, which the justices may soon address in related cases.

The significance of the decision, however, extends far beyond the particular context of the case, raising questions about whether individuals can sue the courts to force states to abide by a variety of federal laws. At the broadest level, the decision made it stunningly clear that the ruling last term in United States v. Lopez that Congress lacked authority to ban possession of guns near schools was not an aberrant decision provoked by an odd federal law.

It is evident now that the Lopez decision was a signal that the current majority is in the process of revisiting some long-settled assumptions about the structure of the federal government and the constitutional allocation of authority between Washington and the states. The lineup in the two cases was the same: Chief Justice Rehnquist wrote for the majority, joined by Justices Sandra Day O'Connor, Anthony M. Kennedy, Antonin Scalia, and Clarence Thomas. Dissenting votes

## New York's Top Cop Resigns

By David Firestone  
New York Times Service

NEW YORK — New York City's police commissioner, William Bratton, has announced his resignation after 27 months in office, ending a tenure that saw a precipitous drop in New York City's crime rate and a consequent rivalry for the limelight with Mayor Rudolph Giuliani that eventually led to the commissioner's departure.

Mr. Bratton said he would leave April 15 to run the New York office of First Security Services Corp., a Boston company that provides uniformed security services to private corporations. Mr. Bratton will run a subsidiary intended to expand the company's reach into public agencies.

The resignation of the nationally known crime fighter marks a turning point for the mayor.

Having run for office on a platform that stressed law enforcement, Mr. Giuliani appointed Mr. Bratton as the architect of a plan to reorganize the Police Department, with a focus on fighting crimes that affected the quality of life.

Taking over a department wracked by a damaging corruption scandal, Mr. Bratton, former chief of the city's transit police, brought to bear management strategies that relied on a block-by-block analysis of computerized crime statistics.

Aided by an increase in the size of the force, Mr. Bratton steered the force as crime fell to its lowest levels since the 1960s.

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## ASIA/PACIFIC

# Is Pakistan Dropping Its Afghan Allies?

Tilt Seen Toward Mediated End to War

By John F. Burns  
New York Times Service

ISLAMABAD, Pakistan — After 18 months of covert military and financial backing for a guerrilla group that has imposed Muslim fundamentalist rule on more than half of Afghanistan, Pakistan appears to have shifted toward a policy that aims to bring an end to the civil war through mediation among all of Afghanistan's warring groups.

For years, Pakistan's involvement in the Afghan fighting has been managed by an assortment of civilian and military agencies that have often worked at cross-purposes, so the change has not been clear-cut.

Some officials, including the powerful interior minister, Naseerullah Khan Babar, still strongly support the Afghan fundamentalist group, Taleban, while others, including officials in Prime Minister Benazir Bhutto's office, condemn the fundamentalists for their hard-line policies toward women and their brutal law-and-order policies.

Still, there seems little doubt that the thrust of Pakistan's efforts to influence the outcome of the war has shifted against Taleban as the struggle for power in Afghanistan has reached a crucial stage. With its forces besieging Kabul, the Afghan capital, Taleban is only one victory away from gaining what would probably be a hold on the country.

Pakistan's attitude is crucial, because it can decisively influence Taleban through its control of essential resources reaching the fundamentalists from Pakistan, whose common border with Afghanistan runs hundreds of kilometers along Taleban-controlled regions of Afghanistan.

Until now, Pakistan has been alone among Afghanistan's neighbors in giving support to Taleban. Three other nations in the region — India, Iran and Russia — have given military and financial backing to the moderate Muslim government of President Burhanuddin Rabbani in Kabul.

What caused the shift in Pakistan's policy is unclear, but one reason has

been pressure from Western countries, primarily the United States.

After showing little interest in Afghanistan since the Soviet-backed government in Kabul collapsed three years ago, Washington has recently condemned Taleban and renewed its backing of a United Nations-led peace effort that has sputtered for years.

Miss Bhutto's government has attached primary importance to its ties with Washington, and was rewarded last year when the Clinton administration won congressional approval to end an arms embargo on Pakistan to deliver more than \$300 million in military equipment and spare parts to Pakistan's armed forces.

Support for Taleban has been an embarrassment for Miss Bhutto who, asking for U.S. backing, has maintained that her government is a bulwark against Muslim fundamentalism.

Other factors appear to have been at work as well. Senior Pakistani officials have acknowledged that there have been "second thoughts" about the consequences for Pakistan of a Taleban government in Kabul, which might foment Muslim fundamentalism, and possibly even secessionism, in Pakistani-ruled tribal areas bordering Afghanistan.

Pakistan's hostility to the Rabbani government and its military strongman, Ahmed Shah Masoud, is based on concerns for its own security should a government backed both by India and Russia, two traditional enemies of Pakistan, gain full control of Afghanistan.

The anger boiled over last fall when the Rabbani government sent a mob to burn down the Pakistan Embassy in Kabul, killing one Pakistani diplomat and injuring a dozen others.

The question now is whether the shift in Pakistan's attitude will translate into actions that will weaken Taleban.

An official close to Miss Bhutto was harshly critical of the group.

"Frankly, the worst that could happen to us would be a Taleban victory in Kabul," he said. "No modern Pakistani could possibly welcome a government in Afghanistan that forces women to be locked up in their homes, prevents girls from going to school and conducts public 'executions' of television sets."

But in an interview, Mr. Babar, the interior minister, showed no sign of diminished enthusiasm for Taleban. "We cannot be hostile to Taleban," he said. "They are a reality, they control 14 provinces."



BOWING TO BACH — Some of about 150 children in Tokyo playing J.S. Bach's "March in G major" during the 42d Suzuki Method Grand Concert. A total of 3,000 music students took part in the event.

## U.S. Is Cool to Any Visit by Taiwan Chief

White House Has No Plans to Issue Visa, Despite Helms's Invitation

Compiled by Our Staff From Dispatches

WASHINGTON — The White House said Wednesday that it had no plans to visit President Lee Teng-hui of Taiwan to visit the United States, despite Senator Jesse Helms's decision to invite him.

"We don't have any plans for Mr. Lee to visit," a White House spokesman said. "We're not going to issue a visa, and we don't have any plans for that."

Mr. Helms, Republican of North Carolina and chairman of the Senate Foreign Relations Committee, said Tuesday night that he planned to invite Mr. Lee to come to the United States.

U.S.-Chinese relations deteriorated sharply after the White House approved a visa for Mr. Lee to make a private visit to the United States last June to attend an alumni reunion at Cornell University. Beijing regards Taiwan as a renegade province and opposes any moves to grant it enhanced international status.

Beijing said earlier Wednesday that Washington risked a fresh bout of Chinese wrath if it allowed Mr. Lee to accept Mr. Helms's invitation.

For his part, Mr. Lee said in an interview published Wednesday that he did not plan any foreign trips for "quite a while."

"I said recently that any trip abroad that can help my nation and further bilateral relations with another country is worth taking," Mr. Lee said in the interview with The Asian Wall Street Journal. "However, I have just been elected president of the Republic of China and will have a full agenda for a long period of time. I am afraid I shall have no time for overseas trips for quite a while, and now I certainly have no plans to visit the United States."

Mr. Lee, the incumbent, won his first popular mandate on the Nationalist-ruled island by drubbing three rivals on Saturday in the first democratic presidential election in Chinese history.

His victory came despite weeks of military maneuvers and missile tests staged by the Chinese in waters near Taiwan in what Beijing said was a bid to frighten voters away from Mr. Lee and what it sees as his pro-independence stance.

A Chinese Foreign Ministry spokeswoman, asked about Mr. Helms's plan to invite Mr. Lee to visit the United States, said Chinese-U.S. records did not allow official U.S. contacts with Taiwan and made it clear that an invitation would violate those agreements.

"If foreign forces attempt to interfere in China's internal affairs and support the independence of Taiwan by taking advantage of the change in the way of selecting leaders in Taiwan, they will inevitably meet the resolute opposition of the Chinese government and all the Chinese people," she said. (Reuters, AP, AFP)

## U.S. Weighs Light Penalty For Chinese Nuclear Sale

By R. Jeffrey Smith  
Washington Post Service

WASHINGTON — Senior U.S. policymakers are debating whether Washington is required by law to impose economic penalties against the Chinese government for a sale to Pakistan of equipment related to nuclear weapons, or whether it can focus the punishment squarely on the government-owned company that made the transfer, officials say.

Washington is trying to determine whether Chinese leaders were aware that China National Nuclear Corp. — a state-owned company with government officials on its board — agreed to sell specialized magnets last year to a Pakistani nuclear-weapons laboratory for use in centrifuges that produce fissile materials for atomic bombs.

If the United States decides the government must have known about the sale, officials said, Washington is obligated under a 1994 law to penalize China by halting U.S. loan guarantees or loans for about \$10 billion in U.S. business deals there.

Some officials predict that President Bill Clinton will impose a penalty and simultaneously waive it, but Beijing has told Washington that it will object to any determination that it is guilty of wrongdoing.

As the administration seeks a more palatable option, some U.S. officials argued in recent days that Beijing's political leadership was probably unaware of the magnet sale.

They have cited the relatively low economic value of the deal, estimated at \$50,000 to \$100,000; the fact that the magnets were not specifically listed by international experts as banned export items; and that many government-owned firms operate with considerable independence.

If that view prevails, Washington may be obligated only to bar the Chinese company from conducting further business with the United States, officials said. Such a narrow penalty is regarded by some officials as more attractive than slapping Beijing with broader penalties, which might invite Chinese retaliation and further disrupt already poor U.S.-Chinese relations.

No agreement on the issue was reached at an hour-long meeting of top policymakers at the White House on Tuesday.

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## Democracy Can Prevail, Patten Tells Hong Kong

Reuters

HONG KONG — Governor Chris Patten urged the people of Hong Kong on Wednesday not to deem democracy dead, despite moves by Beijing to curb it and to force a political loyalty pledge from top Hong Kong civil servants.

A senior Chinese official said Tuesday in Beijing that top Hong Kong civil servants must pledge loyalty to China in order to keep their jobs after it assumes sovereignty in 1997. Beijing also has begun formal steps to dissolve Hong Kong's elected legislature and supplant it with an appointed body in 1997.

"I don't think people should throw in the towel," Mr. Patten said in an interview with the South China Morning Post. "Democracy isn't something that can be locked up in a cupboard for all time," he added.

He said it would be a "serious error" to require a loyalty oath and urged Beijing to rethink its moves.

## POWER: A Malaysian Tycoon

Continued from Page 1

Meanwhile, the relationship between the Indonesian military and the country's ethnic Chinese businessmen has benefited both parties, giving the generals access to capital and the capitalists protection against the threat of anti-Chinese violence.

Jim Rohrer, the chief economist at CS First Boston in Hong Kong, said that while cronyism flourishes throughout much of Southeast Asia, "it is very hard to take the position it has held these countries back. If it doesn't go too far, it can act as a lubricant for the economy."

Mr. Yeoh, though worth more than \$2 billion, is more of a footnote next to some of Malaysia's Eversets of tycoons. Robert Kuok's vast holdings in Malaysia and across Asia had their roots in a small grocery store begun by his father, an immigrant from China's Fujian Province. Today, he is one of the globe's wealthiest men.

But the growth of Mr. Yeoh's business empire shows how fast even the lowliest entrepreneurs can rise if they learn how to pull the right levers. YTL originated as a small construction company started by his grandfather, who fled to Malaysia from China as World War II was ending.

The founder's son, Yeoh Tiong Lay, wrangled the first significant contracts for the tiny company in 1955 to build ammunition depots and garages for the British colonial army. Two years later, when Malaysia gained indepen-

dence, YTL continued building army compounds while expanding into other areas.

When anti-Chinese riots swept Malaysia in 1969, the elder Mr. Yeoh kept a low profile and kept building even as the government enacted laws to grant special economic and social benefits to the native Malaysians.

Mr. Yeoh waves aside suggestions that favoritism is corrupting him or Malaysia's economic performance.

"In Malaysia, businessmen and government work hand in hand, and it seems to me that crony capitalism," he said. But in reality, he said, "the government must choose performance, people who have a good track record."

As for excluding big foreign companies from some big Malaysian construction projects, he said, in some cases the government has no choice because against such deep-pocketed competition, "Malaysians would never have a chance to do it themselves."

Perhaps no other project solidified Mr. Yeoh's position as the building and financing of two power plants in the towns of Paka and Pasir Gudang on the Malay Peninsula.

In as much of the privatization process here, there was no bidding. The first two licenses were handed to Mr. Yeoh's company, an act of favoritism that angered some critics of the government.

His defenders say that Mr. Yeoh completed the power stations, both of which began operating last year, seven months ahead of schedule.

## First Sentence for Tokyo Attack

TOKYO — A Japanese court on Wednesday handed down the first jail term in connection with the nerve gas attack in the Tokyo subway, which the government contends was carried out by the Aum Shinrikyo sect.

A disciple of the sect, Seiji Tashita, 26, was sentenced to seven years in prison for helping to produce the sarin gas that killed 11 people and hurt 5,500 others on March 20 last year.

"The accused took part in a crime aimed at mass murder without any hesitation," Judge Toshio Yamashita said.

Mr. Tashita's was the first trial connected to the gas attack to be completed. But many more are in the wings. The sect's leader, Shoko Asahara, goes to trial next month, and 11 senior members also face charges over the subway murders.

## Bangladeshi Chief on the Ropes

DHAKA, Bangladesh — Top bureaucrats said Wednesday that they had met with President Abdur Rahman Biswas and asked him to set up a caretaker authority immediately to replace Prime Minister Khalida Zia's government.

"A consensus has now been reached among all concerned parties about the appointment of a caretaker government," said a statement from Cabinet Secretary Ayubur Rahman, Bangladesh's most senior civil servant.

"The administration, economy and law and order have all collapsed. As there is no obstacle to the formation of the caretaker government, we have suggested to the president that it should be formed immediately."

Analysts and diplomats said the move was a big blow to Begum Zia's government, already crumbling under increasing opposition pressure. "It suggests that Khalida's days have now been reduced to hours," an Asian diplomat said.

## Seoul's Graft Probe Deepens

SEOUL — A graft scandal involving an aide to President Kim Young Sam deepened Wednesday as prosecutors revealed more bribes.

Prosecution sources say Chang Hak Roh, a longtime aide to President Kim, is suspected of amassing millions of won through kickbacks and "rice-cake expenses" — envelopes containing cash — from businessmen, government officials and politicians.

The Yonhap press agency quoted the sources as saying that about 150 people had provided money to Mr. Chang, who resigned as senior presidential secretary after his arrest last week. (AFP)

## Defector Sees North Holding On

SEOUL — A North Korean foreign exchange expert who defected to the South said Wednesday that he expected the Stalinist state to collapse, but not in the near future.

The defector, Choe Se Ung, said there was no doubt North Korea had serious economic problems, with some smelters and factories shut down due to a shortage of power.

"It is true North Korea faced collapse. But in view of several decades of closely controlled rule, it will not collapse immediately," Mr. Choe said at a news conference.

Mr. Choe, 35, his wife, Shin Yong Hi, and their two children defected to South Korea in December while he was engaged in foreign exchange operations in London.

Meanwhile, South Korea's state radio reported Wednesday that Washington and Seoul had agreed to bolster their defense capabilities to prepare for any crisis with Pyongyang. (Reuters)

## VOICES From Asia

Fidel V. Ramos, president of the Philippines, saying disasters such as disco fires and the sinking of overloaded ferries would hasten the Philippines for as long as people pursued greed. "The validity of the profit motive — the keystone of private enterprise — cannot be an excuse for unrestrained greed." (Reuters)

Seisuo Furukata, professor at Teikyo University in Tokyo, on a report that the Finance Ministry was the biggest supplier of retiring bureaucrats to private firms last year, and criticism of the government's plan to bail out failed loan firms known as *jusen*: "Bureaucrats and founding banks have taken advantage of *jusen* for their own benefits." (AFP)

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EUROPE

# Catalans Give a Sign Of Support to Aznar

## Their Votes Help His Party Elect Speaker

MADRID — Catalonia's governing coalition, which holds the balance of power in Spain, chose the opening of a new Parliament on Wednesday to provide the first concrete sign that it will probably help form a conservative government.

The Catalans used their 16 seats in the 350-seat house to help the conservative Popular Party, which won the elections on March 3 but fell short of an outright majority, appoint one of its own as speaker, despite opposition from the Socialists and leftist parties.

The Popular Party's choice, Federico Trillo, had been rejected by the Socialists, who said his merciless attacks on them during the previous legislature had made him "institutionally unfit."

Mr. Trillo played a key role in pursuing a long series of scandals — from corruption to the 1980s "dirty war" on Basque separatist rebels — that forced Prime Minister Felipe Gonzalez to call elections this month.

The vote ended nearly 14 years of Socialist governance.

The Socialists had fielded their own candidate for speaker Wednesday and were backed by the Communist-led United Left, despite a recent history of rivalry and accusations by the United Left that Mr. Gonzalez might try to stop the Popular Party from taking office.

The formal ceremony of the opening of

Parliament is expected to take place in the second half of April, when King Juan Carlos I declares the new legislature open. While in principle the ceremony should take place within 15 working days after the opening session Wednesday, thus by Friday, April 19, the Popular Party's leader, José María Aznar, hopes to be able to delay it if he cannot find enough support to become prime minister in time.

With 156 seats, 20 short of an absolute majority, his party needs the Catalans' 16 seats and the support of smaller regional parties that have already indicated their agreement.

But the Catalans, headed by the regional president, Jordi Pujol, are expected to write as many concessions as they can from Mr. Aznar before pledging their support. The Catalans seek greater steps toward autonomy for their wealthy northeastern region, including in income tax collection and spending.

The Catalan language, closely related to the Occitan language of southern France and to Spanish, is a major preoccupation for Mr. Pujol and his Convergence and Unity coalition.

Mr. Aznar, whose supporters chanted "Pujol, you dwarf, speak Spanish" during the campaign, now finds himself forced to show the Catalans he has nothing but admiration for their language.



BERLIN PROTEST — German students demonstrating against reductions in the education budget. Their banner reads, in part, "No closing of youth clubs."

## EUROPEAN TOPICS

### Welcome to the Kinder, Gentler German Army

At the midway point of a 20-kilometer (12-mile) hike near Flensburg, Germany, one hefty army recruit ran out of steam. Instead of bullying him to continue, a drill sergeant calmly directed him to a jeep. Another recruit with back problems rode the whole distance in a truck. Upon arrival, a corporal carried his backpack for him.

This is the face of the new German Army, and for young men who once would have been rejected as unfit — the equivalent of the Amer-

ican 4-F — it is a kinder, gentler army. Defense officials say they had no choice but to lower physical standards and demands: This generation is less numerous than its predecessors, and more young men than ever — 160,659 last year — are refusing to bear arms.

So thousands whose weight, allergies, hearing problems, blood pressure or weak hearts would have kept them out are now being warmly welcomed, reports the weekly Focus magazine.

Army doctors fashion special routines for them, and officers are ordered to go easy on them. Many spend extra time in the classroom.

"We didn't do much target-shooting," says one recruit, Sascha Bock, 19, who has a bad hip and back problems.

"These are not second-class soldiers," says Lieutenant Colonel Wedigo von Wedel. "They con-

tribute with their intellectual potential. And they are very highly motivated. More than the others, they want to show what they're made of."

### Around Europe

The severely overweight have a lower life expectancy, so a British insurance company is planning to offer a new policy that will pay them higher annuities. The policy will be similar to one offered heavy smokers. To qualify, people will probably have to be 20 percent to 25 percent above the average weight expected for their height. The Sunday Times reports. But at 65, they would receive at least £1,000 (\$1,500) more each year than their leaner counterparts. Some critics say the policy could encourage obesity in a country where half of adults already are overweight. But a

spokesman for one group, Diet Breakers, disagreed, saying, "This is one of the few instances which rewards being large in our thin-obsessed society."

Locals in the Swiss canton of Valais have long defended the butting matches that are organized each spring between the region's "fighting cows." They say the competition, popular among tourists, is no different from the way a herd naturally determines its hierarchy. But in 1994, an animal protection group protested, saying that 90 percent of the cows were given amphetamines or alcohol — sometimes wine-soaked bread — to make them more feisty and entertaining. Organizers of the matches bitterly denied the charge. But this spring the cows, like Olympic athletes, will be subjected to drug tests.

Men and women have different brands of humor, a German language expert has concluded after surveying 10 studies. Helga Kotthoff, says that boys learn a type of humor built around "verbal aggressiveness" and "sarcastic one-upmanship." Girls develop a more subtle and collaborative brand of humor. One study found that graffiti in men's public bathrooms tended to be "egocentric" and "sex-obsessed," while the women's was "interpersonal" and "advice-giving." But the studies also found an increasing edge in much of women's humor. "Women today have reason enough to want to strike back verbally," Ms. Kotthoff said. Men are often the butt of such jokes. "What has eight legs and an IQ of 40?" asks one. "Four men watching a soccer match."

International Herald Tribune

## BRIEFLY EUROPE

### Cypriot Court to Rule in Killing

NICOSIA — A Cypriot court will pass judgment Thursday on three British soldiers charged with the brutal killing of a Danish tour guide after a protracted trial that has focused attention on British bases on the island.

Allan Ford, 27, Geoff Pemell, 24, and Justin Fowler, 28, are charged with the manslaughter of 23-year-old Louise Jensen on Sept. 13, 1994, as well as abduction and conspiracy to rape. The defendants, members of the Royal Greenjackets based in Cyprus at the time of the killing, have denied all charges. (Reuters)

### U.K. Is Ordered to Pay Reporter

BRUSSELS — Europe's leading human rights court ruled Wednesday that journalists have the right to protect sources, and ordered Britain to pay damages to a reporter fined for refusing to name an informant.

The European Court of Human Rights overturned what it called a "potentially chilling" British court order that fined William Goodwin £5,000 (\$7,600) for refusing to reveal the source of an article. The court, based in Strasbourg, ordered the British government to pay Mr. Goodwin costs and expenses totaling £37,595. (AP)

### Affirmative Action Examined

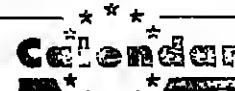
BRUSSELS — The European Commission proposed changes in European Union law Wednesday to bolster affirmative action laws in several EU nations.

The proposal is an attempt by the EU executive body to minimize the impact of a ruling last fall by the EU's high court forbidding rigid quota systems for hiring women. Women's rights groups welcomed the proposal as a way to encourage employers to go ahead with assertive affirmative action policies. (AP)

### Immigration Official Charged

CRETEIL, France — The head of the immigration police at Paris's Charles de Gaulle International Airport or Roissy has been charged with helping illegal immigrants from Algeria to enter and stay in France, judicial sources said Wednesday.

Superintendent Jean Rivoal, 52, the chief of the central directorate for combating clandestine immigration and employment at Roissy airport, was charged by an examining magistrate in the Paris suburb of Creteil. (AFP)



BRUSSELS: Meeting of the European Commission president, Jacques Santer, and Finance Minister Philippe Maystadt of Belgium.

TURIN: Marcelino Oreja, the information policy commissioner, attends a meeting of the European confederation of unions on the eve of the intergovernmental conference on reform of European institutions.

ROME: The commissioner for internal markets and financial services, Mario Monti, meets with the Italian finance minister, Augusto Fantozzi.

Sources: Agence Europe, AFP

When I was just a kid, my bike was the freedom to explore.

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CREATING TOGETHER



## INTERNATIONAL

# Assassin of Israel's Rabin Sentenced to Life in Prison

By Joel Greenberg  
New York Times Service

TEL AVIV — Yigal Amir, the man who shattered Israel when he assassinated Prime Minister Yitzhak Rabin, was sentenced to life imprisonment on Wednesday after being found guilty of murder.

In a judgment laced with poetry and soaring prose, the presiding judge, Edmond Levy, brought two months of often technical proceedings at the Tel Aviv District Court to a dramatic conclusion, grieving for the loss of a national leader and condemning Mr. Amir as someone who had "lost all semblance of humanity."

Wearing a white shirt and the black skullcap of an Orthodox Jew, Mr. Amir, 25, stood in the dock and listened to the sentence with downcast eyes, gazing up occasionally to look at the judge.

Unrepentant to the end, he asserted that he had served his people and his country when he shot and killed Mr. Rabin after a peace rally in Tel Aviv on Nov. 4. Mr. Amir has repeatedly argued that his objective was to stop Mr. Rabin from endangering Israel by handing over land to Palestinian rule under an accord signed in 1993 with the Palestine Liberation Organization.

"Everything I did was for the God of Israel, the Torah of Israel, the people of Israel and the Land of Israel," he declared to the court.

Before the sentence was pronounced, Mr. Amir looked at his family and pointed a finger skyward as if to say, "It's all in the hands of God." And after the three judges had spoken, he called out, "A monstrosity of the State of Israel!" before he was silenced and hustled out of the courtroom.

Mr. Amir's mother read from a book of Psalms throughout the proceedings, and his father, wearing the beard and black hat of the strictly Orthodox, sat hunched over, a hand covering his face. "The court didn't rule," he said after hearing the verdict. "It was God's judgment."

Mr. Amir was also found guilty of wounding one of Mr. Rabin's bodyguards, Yoram Rubin, and sentenced to an additional six years in jail.

Under Israeli law, murder carries a mandatory life sentence, and the death penalty is reserved only for Nazi war crimes and espionage. A life term may be commuted by the state president, but this is un-

likely in the case of Mr. Amir, who seems destined to spend the rest of his days behind bars. His lawyers said they would appeal the verdict to Israel's Supreme Court.

Reacting to the sentence, Prime Minister Shimon Peres said: "The punishment seems to pale in comparison with the crime, although I have no suggestion how to deepen this punishment. In my view, this murder is a violation of all the values of our people, from the Ten Commandments to the laws of the nation and the state."

Rejecting Mr. Amir's argument that he had only intended to paralyze Mr. Rabin and his policies, the judges cited remarks he had made under police questioning and in court showing that he had intended to kill.

In a statement to the police, Mr. Amir had said that before setting out to the peace rally, "I prayed the evening prayer as usual at the synagogue near my house, and in my prayers I asked to succeed in killing only the prime minister and to come out of it safely."

Proclaiming the sentence, the judge cited the Biblical injunction, "Thou shalt not kill," which he said should "certainly beat in the heart of a Jew who has taken upon himself to observe the commandments."

"There is no greater desecration of God's name," Judge Levy added, than the attempt "to justify the murder as a religious commandment or a moral mission."

In his final remarks, Mr.

Amir called the proceedings a "show trial from start to finish" that had "followed all the rules of protocol" but had ignored the motives for the killing.

"I was compelled to carry out this act even though it contradicts my character and my personal philosophy, because the damage that was going to be caused would have been irreversible," Mr. Amir said. "What was done in the last three years will cause rivers of blood in this country. A whole nation is sitting silently. I decided to take action, knowing that I would pay the price, but the people who are causing the deaths of thousands will not be brought to justice."

After the courtroom emptied, Eitan Haber, who had been Mr. Rabin's closest aide, stayed behind. He was surrounded by a clutch of reporters, much like the group that gathered around him on the night he announced the Prime Minister's death outside a Tel Aviv hospital.

Mr. Haber had attended the trial from its outset, on a personal mission to haunt Mr. Amir. Today he had one final message for him.

"A life sentence won't bring Yitzhak Rabin back to life, a life sentence is neither revenge nor a comfort," Mr. Haber said. "I very much hope that before this scum of the earth rots away in jail, he will yet see that the murder has achieved precisely the opposite of what he had intended."

"For Yitzhak Rabin, peace will avenge his blood."



SIDETRIP TO THE PAST — Hillary Rodham Clinton and her daughter, Chelsea, viewing the ruins of ancient Ephesus in Turkey on Wednesday.

# Germany Calls Off Muslim-Croat Talks

Sides Are Too Far Apart, It Says

By Alan Cowell  
New York Times Service

BONN — In a sign of deepening Bosnian disarray threatening the Dayton peace accords, Foreign Minister Klaus Kinkel of Germany on Wednesday canceled a meeting here of Bosnian Muslim and Croatian leaders designed to strengthen their nebulous federation.

A Foreign Ministry statement said the two wings of the federation were too far apart for the meeting, which had been scheduled for Thursday.

The supposed alliance of Muslims and Croats is a central element of U.S. and European strategy to mold peace in Bosnia by forging the two ethnic groups into a unit to counterbalance Serbian power.

"They must know that peace will not be served up on a silver platter," said the Foreign Ministry spokesman, Martin Erdmann.

In a statement, Mr. Kinkel said that, in preparatory talks,

the federation members "did not see themselves in a position to come closer on their existing differences."

"Further on-the-scene talks are necessary to create the conditions for a successful meeting of the federation in Bonn," the statement said.

Peace in Bosnia, it warned, demanded that "the parties to the conflict must participate. They must want peace. It cannot be forced on them, even by the presence of 60,000 troops."

The statement did not specify the precise areas of disagreement, but one was thought to be the deep ethnic tensions running through the city of Mostar, fought over bitterly by Muslims and Croats and now theoretically reunited under the aegis of international peacekeepers.

The postponement represents a setback for Mr. Kinkel's ambitions to be seen as a major player in the Balkans, where Germany has deployed about 2,000 troops as part of the peacekeeping effort.

# BOSNIA: Rifts Threaten Pact

Continued from Page 1

state, which is not even supposed to exist.

"We don't understand it either," he said in response to a question about why he had engaged in negotiations.

Spanish soldiers who were part of a group escorting the buses said that they had not been granted the authority to guarantee freedom of movement.

"We really don't want to get involved," said one captain, who declined to identify himself. "We're just here to show our flag."

One returning refugee, 17-year-old Sandra Bozic, was ordered off the bus at Checkpoint Alpha by Croatian police because she was a minor and did not have an identification card.

"They say things are getting better in Bosnia and that there's peace," she said. "I think they don't know what they're talking about."

Another reason that the federation is failing concerns the apparent unwillingness of Western powers to subvert the men who brought war to Bosnia. Western officials say.

Pero Markovic is an example. As mayor of Capljina in the summer of 1993, Mr. Markovic helped mastermind

the incarceration of thousands of Muslim military-age men in underground tunnels, schools and a heliport among other encampments near Mostar. Scores died of beatings, torture and starvation in one of the most gruesome chapters of Bosnia's war.

For his involvement in this macabre affair, Mr. Markovic was promoted and now is the vice president of the supposedly nonexistent Hercegovina. Western negotiators routinely deal with him and seek his help in solving problems.

Mr. Markovic, in an interview, revealed a plan to use the recently formed Bosnian property commission, an organization established under the Dayton agreement, to further his goals of ethnic partition — highlighting a growing trend whereby nationalist extremists are invoking selective parts of the accord to strengthen their positions.

According to the pact, the commission will seek to help refugee families reclaim their homes. Mr. Markovic has other ideas. He said he wants to use it as a way to move Croats from ethnically mixed parts of Bosnia to areas that are purely Croatian.

"We will get international money to do this," he said confidently.

# U.S. and Europe Diverge on Mideast Approach

By Craig R. Whitney  
New York Times Service

PARIS — Differences between the United States and its European allies have emerged over the follow-up to the recent summit meeting of 27 world leaders in the Egyptian Red Sea resort of Sharm el-Sheikh, according to diplomats here.

France — hoping for backing from Germany, Italy and Britain — intends to lead a European initiative on the stalled Middle East peace process at a working-group meeting in Washington on Thursday.

American officials want the session to focus on anti-terrorist measures following the recent Palestinian bombings in Tel Aviv and Jerusalem, European and American officials say.

Urged on by Egypt and other Arab countries that took part in the Sharm el-Sheikh conference, the Europeans would like Israel to ease back on retaliation against Palestinians for the

recent terrorist bombings and to resume peace negotiations with Syria, according to the diplomats.

"We think that the peace process is in real danger, for the first time since it began," a French official said, adding that world leaders had gathered in Sharm el-Sheikh to express continued support for it. "We believe the follow-up should treat the causes of terrorism, not just the effects," this official said. "Repressive policies will not help the peace process in the long run."

The French proposals include steps aimed at combating terrorism, including a call for Europe and the United States to tighten surveillance of Islamic political groups outside the Middle East that are suspected of operating as fronts for terrorist organizations. The French say they also want improved international cooperation to discourage financial support for such groups from Saudi Arabia and other oil-producing countries.

Diplomats said that France would call on Israel to stop blowing up the homes of the families of suspected or convicted Palestinian terrorists and to loosen controls that have effectively cut off Palestinians in the West Bank and the Gaza Strip from the Israeli economy since the terrorist attacks.

"The West Bank and Gaza should be allowed to receive construction materials, food and other supplies for economic development, and international experts should be allowed free passage," a French official said. "The Palestinians should also be allowed to resume exporting produce and manufactured goods through Israel," he added.

The French said that the Europeans want to press Yasser Arafat, the president of the Palestinian Authority, to make good on his pledge to redraft the Palestine Liberation Organization's charter to eliminate its call for the destruction of the Israeli state, and to press President Hafez Assad of Syria

to make a gesture to encourage the Israelis to resume talks about turning back Syrian territory they occupy in the Golan Heights in exchange for peace.

Exactly what sort of gesture the Europeans had in mind was not clear. Syria was invited to the Sharm el-Sheikh meeting but did not attend, and neither did Lebanon, which is partly under Syrian military occupation.

A U.S. official agreed that the issues being raised by the French were important, but said that the United States viewed terrorism as the most immediate threat to lasting peace in the Middle East.

Another point of discord involves a U.S. proposal for a foreign ministers' meeting in Washington next month. French is suggesting the gathering be held in Paris instead.

Two U.S. assistant secretaries of state will preside at Thursday's working-group session.

# BEEF: Brussels Rejects Plea by London and Imposes a Ban on British Exports

Continued from Page 1

Union members began imposing unilateral bans upon importing British beef. The reaction spread to all but Ireland and Denmark in the Union, and other countries around the world ranging from South Africa to Singapore.

Meanwhile, the scare galloped at home, and British beef dropped off the menus at school and went ignored in the restaurants and supermarkets. Major hamburger chains said they would no longer serve it and airlines said they would offer alternatives.

The mushrooming boycott has crippled the industry. Many livestock markets are empty. On Wednesday, the Meat and Livestock Association, the main industry group, said that half of the country's 15,000 abattoir workers had been laid off.

Wednesday's action by the European Commission, the

EU executive body, comes just before a meeting of European leaders in Turin on Friday to chart the future direction of the 15-nation Union and it is bound to poison the atmosphere. Britain, never an enthusiastic ally of the larger Union and always suspicious of Brussels' powers, is usually the dog in the manger at such gatherings.

On Monday, the Union's Standing Veterinary Committee met and recommended that the commission impose a worldwide ban. The move infuriated Prime Minister John Major, who placed an angry telephone call to Jacques Santer, the commission president, and won the right to have his own scientific experts argue the case.

The committee met again Tuesday and British experts argued that a ban was not justified by the scientific evidence so far and that measures already in place in British slaughterhouses were

# France Reports 2 Cases

Agence France-Presse

PARIS — Two cases of the rare degenerative brain affliction Creutzfeldt-Jakob disease, which may be linked to "mad cow disease," were recently registered in France in patients aged under 40, reports said Wednesday.

Annick Alperovitch, a medical doctor who is part of a European monitoring network concerned with the disease, said, however, that one of the deaths, in the eastern city of Lyon in January was "in no way suspect" as being linked to mad cow disease.

Dr. Alperovitch mentioned a second death in France from Creutzfeldt-Jakob disease, also of a person under age 40.

She gave no other details on that death.

sufficient to guarantee the beef's safety.

In 1989, three years after the first case of mad cow disease was diagnosed, slaughterhouses were required to dispose of cattle of age, consisting of brain, spine and other parts close to the central nervous system, that

are thought to carry the infection. The scientists from the Spongiform Encephalopathy Advisory Committee believe that the 10 cases of the new variant of CJD, which was worrisome because uncharacteristically it attacked younger people, were all contracted before 1989.

This argument failed to sway the commission, whose members supported the ban unanimously, apparently also fearful that the stigma from British beef could undermine beef exports from Europe as a whole. Last year, Britain exported 277,000 tons of beef from its overall production of 857,000 tons.

To soften the blow somewhat, Franz Fischler, the EU agricultural commissioner and himself a farmer, said the ban would be reviewed in six weeks and could be accompanied with aid to help pay for any new measures to combat the crisis. This was an obvious invitation for London to institute at least a selective slaughter.

Sir Leon Brittan, one of Britain's two EU commissioners, said afterward that the union understood "how large a problem it is for the farming community" and that it was important to tackle the problem together and avoid hysteria.

# UNION: Cracks Appear in German Bargaining

Continued from Page 1

companies, regardless of their size, sector or profitability.

"There is a shift from national wage contracts to the corporate level," said Jürgen Pfister, head of economic research at Commerzbank AG.

"It is a major change in the underlying negotiating situation," Mr. Pfister said. "It will intensify in coming years. And I think it means a weakening of the position of the unions."

Like everything in Germany, nothing changes quickly. It will take years to erode the tradition of central bargaining, predicted Matthias Wettecke, an analyst in Düsseldorf at Merck Finck & Co. But he added that the latest trend of decentralization was "an encouraging sign."

Some form of the classic blanket national contract is almost certain to survive, albeit in a vastly evolved form, economists predict. Univer-

sally contracts one day routinely will include latitude for individual companies to tailor their own terms, such as opt-out clauses for weak companies.

That is exactly what the Gesamtmetall industry federation wants. Gesamtmetall condemns IG Metall's steep 1995-1996 wage increase as having stifled exports, triggered mass layoffs and poisoned industry confidence.

Ironically, the biggest blow to the system of ironclad contracts might have been initiated by the union itself when it launched the Alliance for Jobs campaign last year to leverage 100,000 new jobs in 1996 from the auto, metalworking and engineering industries.

Initially, the Alliance for Jobs became one of the biggest public relations coups in German business in the 1990s, reversing the scathing criticism for the union's steep 1995-1996 wage increase. In-

stead, the Alliance elevated the union to a savior of employment at a time of record German joblessness.

That changed in the past month, economists say, as the process spun out of the union's control. It now seems unlikely that IG Metall will win a binding amendment to its standing collective bargaining agreement, one that the union had hoped would set job-creation targets for industry.

It is no surprise that IG Metall and Gesamtmetall are locked in a bitter public rift. The latter, thrilled at the potholes in the face of the centralized system, declared the formal Alliance talks "dead." It then went on to propose that struggling companies should have the right to pull out of the blanket contracts. As expected, the union threatened to strike to keep companies in its fold.

As talks bogged down, German companies have jumped into the vacuum and exploited the initial momentum of the Alliance movement. Significantly, the company-specific deals disregard the union-supported guidelines for an alliance. Most notably, instead of job creation targets, the companies are adamant that their more modest accords merely will preserve existing jobs.

To date, not a single job has been created by the Alliance, according to Gesamtmetall spokesman, Werner Riek. Technically, talks continue among the union's 17 regional bargaining districts in hopes that one will reach a pilot agreement that can be adopted nationally. But with each new company agreement, such a national pact becomes more and more meaningless and more difficult to negotiate.

The loss of clout comes as IG Metall already has seen more than 600,000 members leave the union since its post-reunification membership peak of 3.7 million.

# JOBS: EU Debates What to Do and How to Pay

Continued from Page 1

ing factor" in all programs and spending.

But Jacques Delors, the former president of the European Commission, decided that idea in an interview as "wishful thinking."

The key problem in turning the EU into a motor for jobs is a lack of resources.

The entire EU budget amounts to just over 1.2 percent of the bloc's economic output.

Even a modest plan by Jacques Santer, Mr. Delors's successor, to spend an extra 1.7 billion European currency units on trans-European road and rail networks and research projects appears dead on arrival, a victim of the prospective multibillion-dollar bill for slaughtering British cows.

"Mad cow disease has killed the networks," a senior

French official said. But if there is little consensus on solutions, EU officials across the political spectrum agree that unemployment will dominate the conference, which is supposed to focus on reforming EU institutions to cope with the addition of as many as 12 members from Eastern and Southern Europe.

For starters, many agreed with Prime Minister Lamberto Dini of Italy who he said recently that a single currency, the motor behind all plans for deeper European unity, will not be achieved if unemployment remains at 11 percent.

"We're going to know a lot more about the future of Europe by looking at the unemployment rate in five years than by any other measure," said Stuart E. Eizenstat, departing U.S. ambassador to the EU.

The single currency project continued to generate divisions of its own this week.

The finance ministers of Germany and France, Theo Waigel and Jean Arthuis, agreed Tuesday on the need for tighter rules to prevent countries that are unwilling or unable to join a single currency from devaluing against it.

That put them at odds with Britain and potentially Italy. But the two ministers remain apart on the details, with France pushing for tight trading constraints backed by intervention from the future European central bank.

At a meeting of senior EU monetary officials in Brussels on Tuesday, meanwhile, Germany met with renewed resistance to Mr. Waigel's proposal for stiff, automatic penalties on countries that run high budget deficits.



A NEW PICASSO? — Alexandra Nechita, 10, signing autographs Wednesday after opening an art exhibition in Bucharest, the last stop on a European tour. Her works have fetched thousands of dollars in the United States.

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## INTERNATIONAL

## Bahrain's Unrest Worries Neighbors and U.S.

By John Lancaster  
Washington Post Service

MANAMA, Bahrain — Street protests and sabotage have surged across this island state, renewing fears among neighbors and in the West about the stability of a key U.S. ally in the Gulf. Against a backdrop of nightly disturbances and growing threats to Westerners and other foreign residents — including bombings of restaurants and luxury hotels — government officials have threatened to intensify their crackdown on Shiite Muslim protesters who are demanding restoration of Parliament, which was shut in 1975.

Following the execution by firing squad Tuesday of a man convicted of killing a policeman during a riot last year, the U.S. Embassy warned its citizens that "the chance for widespread disturbances is high" and urged them to stay home. The police closed a main highway and sealed off several of the most trouble-prone villages.

Although Shiites constitute a large majority in Bahrain, the ruling Khalifa family is Sunni, as are most senior government officials and members of the armed forces.

Bahrain's troubles have caused deep anxiety in other Gulf oil monarchies, including Saudi Arabia, all of which face similar, if less acute, pressures

from within for political and economic liberalization.

Notwithstanding government assertions that Iran is behind the disturbances, some analysts have begun to suggest that the gravest threat to pro-Western regimes in the Gulf stems more from internal opposition than from Iran or Iraq. Forty percent of the world's exported oil is shipped from the Gulf and Bahrain

in riot gear play nightly games of cat-and-mouse with protesters and vandals, hundreds of whom have been arrested in recent weeks.

"Bahrain since December has been like a ball of fire," said a prominent Shiite businessman who supports the opposition movement. "We hear bombs going off every night, gas cylinders flying."

## The U.S. Embassy has warned Americans in Bahrain that 'the chance for widespread disturbances is high' and urged them to stay home.

is the administrative headquarters for the U.S. Navy's Fifth Fleet, which is enforcing trade sanctions against Iraq and monitoring Iranian naval movements.

Although the regime does not appear to be in immediate peril, the unrest has damaged Bahrain's economy and sullied its image as a prosperous financial hub and regional tourist center.

Fearing violence, few residents venture out at night, turning this balmy seaside capital into a virtual ghost town after sunset. Security guards ring major hotels. Restaurants are all but deserted.

Just outside Manama, in the dreary belt of Shiite Muslim villages that are the source of most of the unrest, police

In some aspects, the politics of Bahrain echoes that of other oil monarchies in the region. Ruled by Sunni Muslim families in the manner of benevolent dictatorships, they used the oil bonanza of the 1970s and 1980s to rapidly modernize and create generous welfare states. But a combination of falling oil prices and fast population growth has led them to rein in these benefits, with unpleasant political effects.

These have been especially severe in Bahrain. Not only does it lack the oil wealth of its neighbors, but many Shiites feel politically and economically disenfranchised, with unemployment estimated at up to 30 percent in

Shiite villages. Shiite protests erupted in late 1994, and initially evoked sympathy from Sunni intellectuals, who echoed the Shiites' demand for restoration of Parliament.

The government responded by arresting several thousand protesters, mostly Shiites, including Sheikh Abdel Amir Jamri, a former member of Parliament and the island's most prominent cleric.

He was released in September with the tacit understanding that he would counsel restraint on the part of his Shiite followers, according to diplomatic sources. But when his efforts failed to satisfy the government — and opposition rallies started drawing crowds of up to 50,000 — he was arrested and jailed again in January.

The island has since experienced a sharp surge in vandalism and more serious episodes, such as the bombing of several luxury hotels.

Diplomats say several recent attacks have targeted foreigners, including the firebombing of a restaurant earlier this month that killed seven Bangladeshis. The day before, men armed with knives and gasoline bombs tried to set fire to a restaurant filled with Westerners.

Alarmed at the threat to its economy, Bahrain has largely abandoned talk of dialogue, and the Defense Ministry has threatened to impose martial law.

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Renewing the \$100 Bill

The U.S. Treasury has introduced a new \$100 bill without withdrawing the old. This is a delicate long-term strategy aimed at stamping out counterfeiters without upsetting millions of foreigners who feel safer with dollars than with their own money. When counterfeiters began producing excellent copies several years ago, Washington realized that in time there could be enough bogus bills to undermine trust in the dollar.

The new 100s have a larger portrait of Benjamin Franklin, a watermark, ink that changes from green to black at different angles, and other tricks — some publicized, some secret. The old bills will remain negotiable.

Hard facts on counterfeiting are scarce. Much of the printing is said to be done in Iran, in finance terrorist activities, but the Secret Service is not talking. While counterfeiters will presumably keep churning out old 100s, the Treasury figures the new bills will eventually dislodge the old as the old bills find their way home through banks to the Federal Reserve System, which will destroy them. That is what happened after a polymer security strip was added to the paper for \$100 bills in 1991.

There are some 2.4 billion 100s in circulation now — roughly \$240 billion worth, or two-thirds of the value of all U.S. currency outstanding. There are more 100s abroad, circulating or stashed away, than in the United States, particularly in countries of the former Soviet Union and Latin America. Holdings in Russia are so great that the Treasury has run radio, television and newspaper announcements there, and set up a telephone help-line that has been getting more than 100 calls a day. One Russian bank chartered a plane to jet the new bills to Moscow as soon as they were available.

No other currency is trusted as widely as America's dollar. Its new look and the careful transition were designed to keep it so.

—THE NEW YORK TIMES

## Stability Across the Strait

It took no time at all for China to change its course after Taiwan democratically elected Lee Teng-hui president. Suddenly he became no longer a dangerous "splitter" but a fellow patron of reunification, with Beijing claiming credit for putting him in that role. China's intimidating military exercises and missile firings halted. Moves were begun to open up some new lines to Taipei.

The odds are long that China has undergone a real conversion to permanent neighborliness. More likely, it decided to cut the severe losses in international standing produced by its militant protest against Taiwan's independence maneuvers. Perhaps Beijing figures it will better block Taiwan's independence, even if it does not sooner win reunification, if it practices a gentler approach. If China is in fact serious about reunification, it will have to start trying to catch up to Taiwan on the democratic track.

The Taiwanese have in effect won two battles — by democratizing and by standing up to Chinese pressure. A third battle was meanwhile won on the field of propaganda: The hundreds of foreign journalists who gathered for a military showdown ended up reporting Taiwan's civilian triumphs. But Taiwan appears ready not to gloat at a moment

of mainland Chinese embarrassment. It promptly announced a plan to permit direct travel, trade and communications with the mainland, steps it had reserved for the right political moment. There are signs it may use its new reputation to widen its international associations by means short of declaring independence.

As China backed off, Washington withdrew the two aircraft carrier groups it had sent into international waters off Taiwan. This was gunboat diplomacy coming out as well as going in. The Clinton administration, after some initial confusion, played its cards well. The Chinese were disabused of any notion of American indifference to the security of Taiwan, and emphasis was put on the central requirement that Beijing and Taipei regulate their own relations and that they do so by joint and peaceful means.

As long as nationalism and a craving for its own sphere of influence drive China's policy, there is no call to say that tensions in the Taiwan Strait are over. One can hope, however, that certain rules of the game have been underlined: Change and a deepening of relations, yes, but not by bullying or force. This is the key to stability not only across the Taiwan Strait but across the region as a whole.

—THE WASHINGTON POST

## Wonders From China

The New York Metropolitan Museum's "Splendors of Imperial China" is so wonderfully vibrant that one almost forgets the turmoil in today's China. This extraordinary collection, at the Metropolitan until May 19, is an invitation to banish politics from the mind and put art in its place.

Chinese emperors collected these works over 11 centuries. Some of the pieces predate them — the elaborate wine vessel from the mid-9th century B.C., for example, and the curious red-dish bronze vat, or liang, from A.D. 9 that was intended to enforce a new set of volumetric standards. In complexity, both works are years ahead of their Western equivalents. Nor was there a Western equivalent of the enormous workshops that, in centuries to come, filled these emperors' warehouses. For them, art was more than esthetics. It was China's patrimony.

The collection remained private for

1,000 years, unseen by the public until 1925, when, a year after the eviction of the last emperor from the Forbidden City, the Palace Museum was established in Beijing. In 1931, after the Japanese invaded Manchuria, the collection was packed up and shipped in 20,000 wooden crates to Shanghai, later Nanjing and, eventually, by boat and train to Hangzhou. Chiang Kai-shek took the best of the collection when he fled to Taiwan and stored it in tunnels hollowed out of a mountain-side. Eventually it migrated to the National Palace Museum in Taipei.

This tumultuous history flees the mind when one is faced with a 12th century Ju-ware bowl so subtle that it seems breathed into shape, a 13th century portrait of Kublai Khan dressed very much as the Mongol ruler he was, and a 12th century kitten that is not only itself but all kittens.

—THE NEW YORK TIMES

## Other Comment

## Chinese Conclusions

Systems which encourage people to become wealthy will ultimately find themselves drawing a more sophisticated and experienced public into the act of governing, if only to preserve their economic gains. Take Taiwan's population of 21 million, add Hong Kong's 6 million, and it is sobering to reflect that their combined gross domestic product is fully three-quarters that of China's, some 1.2 billion strong. If you were Chinese, what conclusions would you draw?

China itself seems to have drawn the conclusion that these successful mini-Chinas must be cut down to size. At the very same time that Chinese guns were trying to intimidate Taiwanese voters into rejecting Lee Teng-hui, China's appointed political advisers in Hong Kong were at work trying to dissolve

the colony's existing Legislative Council and come up with a way to replace it with one that excludes the party most favored by Hong Kong voters.

The comparison is instructive, because, when given a chance to cast their ballots, the free Chinese peoples of both places showed that they least trust candidates regarded as "pro-China" — at least so long as "pro-China" means slavish adherence to the Beijing party line.

In historical terms, it is not yet clear whether the election of President Lee Teng-hui will ultimately be seen as the first real step toward independence. What is clear, however, is that if this separation does indeed come it will not be because Taiwan saw the future and moved ahead. It will be because China insisted on staying behind.

—Far Eastern Economic Review (Hong Kong)

## Globalization Brings a Need for Global Ethics

By Flora Lewis

VIENNA — Like it or not, globalization is here — in some ways. It isn't a global village, nothing cozy and not that much communal about it. But things, people and money, especially money, do move around as never before, and more and more barriers are breached. The porousness of societies isn't even, but it won't be stopped.

Still, people are trying to cling to the familiar and the reassuring, to take more control of their lives from distant centers of power, to strengthen the role of local and regional authority, which they feel they have a better chance of influencing.

It makes for inevitable strains, compounded by profound transformations driven by technology. The transformations will be as least as far-reaching as that of the industrial revolution in every sphere — social, political, cultural, moral, as well as economic.

These interpenetrating pressures, sparking rival ambitions, provoke reactions that have led to the prediction of a great "clash of civilizations," a world full of people who can't and don't really want to get on with each other. But they are also leading to new efforts to emphasize the feelings and impulses that human beings share, to find common standards on which they can agree.

A small group met in Vienna last

weekend to consider how it might be possible to work out a global ethic, basic standards for human relations that all can accept as desirable even if, in the eternal human way, they don't always practice what they preach.

The meeting was convened by German ex-Chancellor Helmut Schmidt on behalf of the Inter-Action Council, a club of former heads of government with plenty of experience on the problems of running societies and an urge to use their freedom from political responsibilities to transcend the constraints.

On the thesis that religion is a basic source of moral and ethical concepts, there were representatives of all the major religions, Buddhism, Hinduism, Confucianism as well as Christianity, Judaism, Islam.

Not surprisingly, the people who turned up shared a wish for tolerance and a rejection of violence. Fanatics don't hold much with this kind of endeavor, and none were present. But most people are not fanatics, and these have come to feel the need to make themselves heard above the angry din.

They picked at each other's words now and then, as committees are bound to do. But they had no trouble con-

cluding that the essence of the diverse religious teachings they espouse is much the same. If it could be jointly articulated, it would show the quarreling world how much more human beings do have in common than the differences that set them against each other.

The idea of inevitable cultural hostility which puts sets of values in certain conflict was easily dismissed. There are differences of emphasis, with Asian societies stressing the needs of community, and the respect for authority that goes with it, against the emphasis on the individual in the modern West. But both emphases were recognized as present and necessary for everybody, not really contradictory.

Democracy may have arisen in the West as the way of striving for the universal aspiration to dignity and freedom, but it isn't alien to the underlying concepts that infuse religion and moral philosophy everywhere.

A call was made for "affirmative tolerance," which means not just accepting that others have different traditions, different beliefs, different habits of behavior, but being prepared to offer equal respect.

The plan is to prepare a declaration of global ethics, perhaps to convene a meeting of highest religious authorities for all the world to see and hear the

message of convergence, to recommend educational materials for wide distribution, possibly to enshrine a constant dedication to human amity and the sanctity of life in a World Academy.

These are grandiose ideas. They are not all that new, they inspired the universalism of the French revolutionary declaration on the Rights of Man and the American Declaration of Independence. They are contained in the United Nations Declaration of Human Rights, speaking for all traditions for the first time and passed without a dissenting vote.

But there is a new recognition that the world is changing dramatically and that ideas and attitudes are having trouble keeping up with new physical and material circumstances.

Another declaration, a summit of religious leaders, a call for global ethics to provide a yardstick for the decisions that people great and small must make each day, will not chase away all the pain and bewilderment of being driven into a new era by our very success at invention.

It is a start, though, on seeking the wisdom to deal with the explosion of knowledge, capacity and sheer human presence in the world. We have learned how to do a lot of things. We must try to learn why.

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## If Bosnia Can't Be Unified, Start Working Toward Partition

By Thomas L. Friedman

WASHINGTON — Serbs in Sarajevo burn their apartments rather than see them occupied by returning Muslim refugees. The Muslim government refuses to break military links with Iran. The Croatian government promotes the use of Croatian emblems, flags and even telephone dialing codes to absorb as much as possible of the half of Bosnia it is supposed to share with the Muslims. Haris Silajdzic, a Muslim former prime minister of Bosnia who really believed in a multiethnic society, resigns in disgust.

Those are just a few recent headlines from Bosnia, where, with each passing day, it becomes clearer that all the factions signed the Dayton peace accord in bad faith, and that Bosnia is heading for partition, not a reunified state.

Without a sudden upsurge of goodwill from the Bosnian factions, and without a real contribution of money from the Western allies, there will be no reversing Bosnia's division.

But the factions don't seem to have the will to coexist, and none of the allies want to spend their taxpayers' money on a country where people would rather burn their apartments than see refugees from another community occupy them.

The only thing the NATO allies will pay for is to separate the factions and prevent more mass murder. They will pay to keep Bosnia off CNN, but that's all.

The best indication that Bosnia is not going to be knit back together is that some of the key diplomats who were supposed to do the knitting are leaving.

The U.S. Bosnia mediator Richard Holbrooke quit and went to Wall Street; the State Department official assigned to lead U.S. reconstruction efforts, Robert Gallucci, just resigned for a university deanship; Carl Bildt, the Swedish official in charge of all civilian reconstruction in Bosnia, hasn't bothered to rent an apartment in Sarajevo.

He stays in a hotel and says, "I see this as a one-year thing."

Let's face it, there are only two important questions left. Can the loose partition taking shape in Bosnia be stable without NATO separating the factions? And if not, are the United States or its NATO allies prepared to keep some troops in Bosnia after their December withdrawal deadline?

That is a discussion that Washington and its NATO allies better start having soon. Otherwise the peace operation, which was supposed to bring NATO together, is going to rip NATO apart — because there is going to be a huge rift over who stays and who leaves.

Whether a loosely partitioned Bosnia can be stable without NATO separating the factions depends largely on whether the two Balkan powers, Serbia and Croatia, are content, or will want to grab more land from each other or from the Muslims

after NATO leaves. For now, the Serbs and the Croats seem content with their looming double anschluss.

They are slowly incorporating their areas of Bosnia into either Serbia or Croatia proper. The only serious flashpoint between them remains Eastern Slavonia, an oil-rich sliver of land that Serbia seized from Croatia in 1991 but promises to return.

Only the Muslims have no reason to be happy with partition. Those Muslims who favor a multiethnic Bosnia will have their hopes dashed, and those who favor a purely Muslim mini-state around Sarajevo will want to recover more territory from the Croats and Serbs. But it is unclear if the Muslims will have the power to do anything about their grievances.

If it appears that the parties will return to war the minute NATO leaves, NATO will probably have to remain. The Europeans are already signaling that they might be willing to stay past December, provided

the United States doesn't arm the Muslims with anything more than light weapons.

The Europeans don't want the Muslims to be strong enough to upset any partition. Washington may have to choose between arming the Muslims or having the Europeans stay in Bosnia after U.S. troops pull out.

A partition of Bosnia is not the worst thing. It is better than a murderous war. If partition can be made stable, there can still be a lot of integration, commerce and movement across lines. But to make it stable, you have to call it by its real name and work within its limits.

America consistently got in trouble in Bosnia in the past by not being willing to pay for the peace it wanted — a unified Bosnia — and not wanting the peace that it could have — a partitioned Bosnia. How about doing something different this time? Let's take the peace that we are willing to pay for — partition — and try to make the best of it.

The New York Times

## Americans Ought to Be Debating Military Ends and Means

By Jim Hoagland

WASHINGTON — The most important fact in the current debate in America on defense spending is that there is no current debate in America on defense spending. This perennial campaign issue for conservative Republicans and liberal Democrats threatens to AWOL in Election '96.

True, Bob Dole's campaign operatives will blow the bugles and take roll call when the post-convention moment comes to blast the dangerously low state of military "readiness" that a certain draft-dodging president from Arkansas has fostered. But the just ending primary season suggests that this appeal is likely to be met with shrugs and the crushing post-Cold War question that even the Pentagon has great difficulty answering: "Ready for what?"

President Bill Clinton has worked hard not to rock the boat

on defense spending, a Republican campaign staple. And he has done so without igniting the fury of liberal Democrats usually ready to immolate themselves if that would squeeze money out of the Pentagon for domestic spending.

Of the \$297 billion that the president proposes to cut over seven years to balance the federal budget by 2002, a grand total of \$16 billion in cuts comes from the Pentagon. That is not much of a target even for a defense demagogue as talented as Strom Thurmond.

But Mr. Clinton's success in muzzling discussion of defense priorities carries a price for the country as well as for professional politicians. This campaign should be a clear point of departure for a national debate about what American voters

want, and will get, for the continuing huge outlays on defense years after the Cold War ended.

The Clinton administration followed faithfully the footsteps of George Bush and Colin Powell in fixing the need of American military manpower at 1.5 million people on active duty and defense spending in the range of \$250 billion a year. Secretary of Defense William J. Perry has just asked Congress for \$242.6 billion in spending authority for fiscal year 1997.

That, Mr. Perry told Congress, is the level of personnel and money needed to fight two major regional conflicts — MRCs, in Pentagonese — nearly simultaneously and win. America recklessly mortgages its future if it does not have a force big enough to take on and finish off Iraq and North Korea

in a matter of three or four months, the Pentagon has said since the Soviet Union disappeared in 1991.

It does not say that U.S. military spending and staffing now exceed that of Russia and the major powers of Western Europe combined. America's military establishment today is a global behemoth constructed not to take on and deal with specific threats but to handle the most dire eventualities that the generals and admirals can imagine.

That has in fact been a prudent approach in the immediate post-Cold War world. If you could bog down the Joint Chiefs of Staff and inject the four commanders of the nation's military services with truth serum, at least two of them would tell you that the real reason for keeping 1.5 million American men and women in uniform is to guard against a reconstruction of a global threat from Moscow.

Colin Powell's legacy of the two MRCs strategy has been a useful, if expensive, buyer of time. But time marches on, and the Russian nonnuclear threat has grown consistently weaker and less focused abroad with every passing day. The Russian debacle in Chechnya and the Gulf war show that America today possesses an overwhelming conventional military superiority that will not be undone for a decade or longer. The fig leaf

stretched across 1.5 million U.S. uniformed bodies wears thin.

The Pentagon's leaders are not oblivious to this. They have begun their own internal debate about the nature of future wars, and of defense budgets, if Russia continues to chase its own tail. You can get a sense of that debate, which centers on strategy of "information domination of the battlefield," by reading "The Information Edge," a package of seminal articles published in the current issue of Foreign Affairs magazine.

Authors Joseph Nye and William Owens, recently retired senior officials at Defense, and Johns Hopkins Professor Elliot Cohen suggest that massive spending for battlefield computers, space-based sensors and other information technology will enable America to extend its conventional superiority indefinitely, producing new Desert Storm triumphs with almost no U.S. casualties and vast destruction to the other side. The idea has strong backers on the Joint Chiefs.

The American public may be willing to fork over the national treasure for an information strategy will require. Or this may be more than it is willing to bite off right now. The country needs to have that discussion, and Bill Clinton and Bob Dole need to provide the strategic context for it in their campaigns.

The Washington Post

## Settle for a Deal on Land Mines

By Jo-Anne Velin

GENEVA — When the chairman of the Joint Chiefs of Staff, General John Shalikashvili, said recently that the American military would consider dropping use of anti-personnel land mines, potential mine victims had a reason to cheer, but not loudly.

No firm U.S. decision to renounce the use of mines has yet been made. Nor would a firm U.S. "no" be enough to end mine proliferation globally. To get a global ban, the world has to advance on two fronts: in national legislatures and in international law.

Talks are in process to write new prohibitions and restrictions into the 1980 Second Protocol of the Convention on Certain Conventional Weapons. Constructive changes are believed to have been agreed upon by just about all of the 50-plus states involved. The final text will be decided by consensus. The key is a draft clause saying that all anti-personnel mines must be detectable. China wants to exempt self-destructing mines.

It is a strange request by China because no mine known to exist can escape a metal detector. And it is a strange sticking point for the pro-ban camp, because making all mines a bit easier to find won't end the mine plague.

But let the universal detectability clause fall, say diplomats, and a whole package of other restrictions and prohibitions will collapse as well.

There's a big danger the whole agreement will unravel completely, a senior diplomat says. "Many countries on all sides believe they've made important concessions for all of us to get this far. They'll ask, 'Why China, and not us?'"

Regardless of how many smaller countries agree not to use, produce, or transfer anti-personnel mines, the heavyweights — China, the United States, Germany, Russia — continue to develop new mine technologies.

Getting a global ban at these talks at this time has always been a nonstarter.

If the talks do fail to move humanitarian law forward this time, is that a humanitarian disaster? No, say humanitarian activists who argue that only a comprehensive universal ban will do any good.

A merely slightly toughened protocol could neutralize an accelerating country-by-country banning campaign. It would legalize the proliferation of new, so-called safer mines. The net result would be

that farmers' fields and civilian waterways would continue to be infested at today's rates or faster, wiping out any humanitarian gains made by producing land mines that blow themselves up or are a little easier to dig up and detonate.

Despite their rhetoric, though, advocates of a ban know that humanity has something to lose if the final round of these talks collapses, or ends in vague consensus. Behind the scenes, they are lobbying to extend the scope of the Convention on Certain Conventional Weapons to apply to internal conflicts, and to start a credible verification and compliance regime for the mine protocol itself.

Countries that respond to public opinion and want to rid the world of land mine horrors must decide in the next weeks just how much they will concede to keep consensus alive.

What would it take to kick this humanitarian issue upstairs and give it the same attention as, say, China's current bid to become a member of the World Trade Organization? No one seems to know.

The writer, a journalist specializing in the land mine negotiations, contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1896: Matabele Revolt

CAPETOWN — A serious rising of the natives has occurred in Matabeleland. After Dr. Jameson's raid into the Transvaal and the surrender of his forces, all arms and ammunition were locked up at Mafeking by order of the Imperial Government and the troops in Rhodesia are now unarmed. The Matabele became aware of this state of things and there was a rising in the Bulawayo district. The white settlers were attacked and their property looted.

## 1921: Name Calling

PARIS — [The Herald says in an Editorial:] The burning jealousy between Seattle and Tacoma has curiously manifested itself in the controversy over the renaming of Mount Rainier, which is the snowcapped landmark of both cities. It was first seen by Captain Vancouver in

## 1792, and christened for his friend, Admiral Raimier. The Indian name Tacoma, however, has been preferred by many Americans, although the original settlers only designated the mountain as "Old Mt. Rainier." To the name Tacoma, Seattle is bitterly opposed. It would mean giving too much implied glory to the "sister city," her rival.

## 1946: Tower Returned

PARIS — The liberation of Paris became complete yesterday [March 27] when the U.S. Army returned the Eiffel Tower to France. The landmark was used by German Occupation forces as a radio station. It was taken over in 1944 by liberating American forces, for whom it was more than just a radio station. Last summer, the Army's Special Services Division operated a night club on the second floor and the American Red Cross organized a "doughnut dugout."



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الاصحاح الاول

OPINION/LETTERS

# China Tramples Rights, And Must Be Censured

By Mike Jendzejczyk and Joanna Weschler

WASHINGTON — Just as the United Nations Human Rights Commission is about to vote on censuring China for its appalling human rights record, several European governments may succeed in sabotaging the effort by accepting token measures from Beijing instead. If this happens, China's leaders will again escape international accountability and once more economic interests will be allowed to prevail over principle.

The European Union and the United States agreed in February to sponsor a resolution on China at the rights commission's annual session in Geneva, which convened Monday. But at a meeting this week of EU ministers in Brussels, France, Germany and Italy took the lead in trying to broker a deal to drop the resolution, under pressure from Beijing, France, which is seeking to sell Airbus jumbo jets to China, is also eager to defuse tension before the visit of the Chinese prime minister, Li Peng, to Paris in April.

China is offering some attractive inducements to persuade the EU to back off in Geneva. Beijing would agree to sign two international human rights treaties — the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights — and would continue efforts to reform its detention laws, which are inherently arbitrary. In addition, three UN rights agencies would be invited to visit.

But, given Beijing's record of breaking its promises on human rights, it would be a mistake for the EU to agree to the deal.

When China was at risk of losing its most-favored-nation trading status with the United States, it promised to give "positive consideration" to a request by the Red Cross for regular, confidential access to Chinese prisons. Then, after President Bill Clinton's disastrous decision to "delink" trade status and human rights in May 1994, negotiations with the Red Cross went into limbo.

Visits to China by UN human rights experts can be helpful, but only if such visits are part of a serious effort to undertake reforms. For example, Beijing is

holding out the prospect of a visit by the special rapporteur on religious intolerance, but the rapporteur already went to Beijing and Tibet in 1994, and none of his recommendations have been followed. The EU has also been offered a visit by the Working Group on Arbitrary Detention. But the group had already been invited to China before any negotiations on Geneva, so this is hardly a breakthrough.

Such is the palfrey offered by one of the world's most repressive governments six years after the brutal crackdown in Tiananmen Square. While pursuing economic reform, Beijing has severely restricted free association, speech and assembly. It has tightened controls on political dissent and crushed efforts by workers, intellectuals, students and others to peacefully exercise their rights. Responding to reports of high death rates in state-run orphanages, the government has mounted a witch-hunt against those who exposed the abuses.

In Tibet, the Chinese government blatantly intervened in religious affairs by ignoring the Dalai Lama's choice of a new Panchen Lama and installing its own candidate. Human Rights Watch/Asia has documented a sharp increase in political arrests in Tibet since 1994; there are more political prisoners in Tibet jails now than anytime in the past six years.

The United Nations Commission on Human Rights has for years tried and failed to pass a resolution on China. And in a "white paper," Beijing argues that over the last four years, "the cause of human rights in China has seen new progress."

But other governments should not settle for anything less than a genuine commitment to the rule of law. The vote in Geneva can send a clear signal that in the eyes of the world, Chinese economic growth must be accompanied by the protection of basic rights and fundamental freedoms.

Mr. Jendzejczyk is Washington director of Human Rights Watch/Asia and Ms. Weschler is the United Nations representative of Human Rights Watch. They contributed this column to the International Herald Tribune.



## LETTERS TO THE EDITOR

### Ordinary Germans

Regarding "It Took 100,000 Willing Germans to Carry Out the Holocaust" (Opinion, March 19) by Daniel Jonah Goldhagen:

Mr. Goldhagen's assertion that "any able-bodied German would consent to kill Jews" is patently untrue and indecent. That tens or even hundreds of thousands of Germans did so willingly is chilling enough.

Nevertheless, on the basis of the spurious premise that there is a need to correct a common misinterpretation about the Holocaust, Mr. Goldhagen proceeds to paint a detailed picture of "ordinary" Germans relishing their terrible brutalization and torture of Jews, as he packs as much of the horror of the Holocaust as he can into his article. Mr. Goldhagen has done his best to give us a clear, unambiguous message: Germans are a truly despicable people, genocidal killers, who won't even admit that they killed willingly, probably with gusto.

My problem with Mr. Goldhagen's article is also clear and unambiguous — it is a hate piece, a libel, an exhortation to despise Germans. Certainly, the unspeakable crimes of the Holocaust shouldn't be and won't be forgotten. But Mr. Goldhagen's ad hominem attack on Germans is hate speech and should be condemned just as vigorously as if it

had been directed at any other people.

RAYMOND HANSEN,  
Heidelberg, Germany.

Mr. Goldhagen deserves credit for writing the unspeakable — namely that hundreds of thousands of "ordinary" Germans were involved in the Holocaust. In our politically correct times, we tend to forget that today's democratic Germany has a *unheimliche Vergangenheit* — a history with which it has not come to terms — that will take generations to overcome. And whether it is fair or not, it is the memory of that genocidal potential that makes people nervous when they see Germany as the leading economic and political force within the European Union.

And yet, we must look towards the future and hope that the new Germany is, once and for all, firmly anchored in the brotherhood of nations that believes in peace, democracy, tolerance and human rights. To convince us that this is the case is a task out of German politicians but of the ordinary Germans themselves.

KARL H. PAGAC,  
Villeneuve-Loubet, France.

### It's a TV World

Regarding "Europe's TV Horizon: Politics, Money and Culture Collide" (March 20):

This article, which suggests that a whole lot more TV is going to make Europeans a whole lot chummier, belongs in an advertisement. I think we can assume that if the likes of Rupert Murdoch and Silvio Berlusconi are investing in expanding satellite and pay-per-view TV, the purpose is to make a profit — I fail to see how the TV they will provide will "unify" Europeans. Is the idea that 500 million more across the continent will be able to peer the opposing country's team from the comfort of their living rooms, while down on the field after the big match, maybe the folks will get together and chat about their favorite Eurosport character, using English-language skills acquired from watching Beavis and Butt-head?

A single media market will have other effects: pop-culture trends and spending patterns will become ever more predictable and manageable, warning the hearts of international mass marketers. The snack food business, too, will get a push, and in the future, a new generation of channel-surfing Europeans will no longer wonder why so many Americans are obese.

But hey, there could be one advantage: maybe the French will finally learn to speak English.

MARTIN AMADA,  
Phuket, Thailand.

# Want to Build a Bomb? A Catalogue Tells How

By Dan Lynch

ALBANY, New York — I'm pretty sure I know how I got on the mailing list.

I had some brush to clear last summer, so I saw away to a catalogue company for a machete. The company must have sold my name and address. And now I'm

who in my neighborhood is buying books on sniper technique (\$3.99), "Selective Assassination" (\$1.95) or converting legal rifles into automatic weapons. I'd like to know just who among my neighbors is somebody with whom I want to avoid disagreement at all costs.

I know better than most people that it's Loon City out there. When you write a newspaper column, you hear from countless loons every week, babbling paranoia and general insanity into your answering machine. And you'll find loon and hard before you'll find anybody more dedicated than I am to the First Amendment and to free expression of ideas, even repugnant ones.

But the customer base for this outfit has to be compiled from lists of released mental patients, parolees and guys who send hate mail three days a week to Gloria Steinem. How else do you explain a primer with an unprintable title for men in the throes of marital difficulties? Or "Clear

## MEANWHILE

getting catalogues you wouldn't believe.

The most recent to arrive is from an outfit in Arizona that peddles books through the mail. You open the thing up, and the first thing you see is an ad for "The Anarchist Cookbook" — a text on making weapons, bombs and drugs at home. And for just \$25.95, too.

Then there's a book for \$12 on building claymore mines. You never know what that'll come in handy. There's a \$4.95 book on making a mortar out of an empty beer can and black powder, a manual for \$14 on creating C-4 explosive in your own basement and a little text for \$10 on building a homemade machine gun for less than \$20 in materials.

Oh, it gets better: There's a \$14 book on building booby traps and \$12 tomes on improvised land mines and something called "Poor Man's TNT." You can buy "Improved Radio Detonation Techniques" for \$12 and another book on building flamethrowers — which, the ad points out, are "legal, cheap to build, maintain and operate and use fuel that is plentiful."

You can buy something titled "A Guide to Home and Recreational Use of High Explosives." The "Vigilante Handbook" can be yours for just \$11.95. For only \$3.95, you can buy a book on turning an ordinary cigarette lighter into an assassination device.

Then there are the books on poisons — even one on how to build a nuclear bomb. Of course, you'll have to steal some plutonium first. I couldn't find an ad for a book on that.

All of which raises some interesting questions. What is going on out there? Who are the guys peddling these books? Who are the guys buying them? And, most crucial, do any of them live near me?

I wouldn't at all mind knowing

The mailing labels for these books have to be drawn from lists of released mental patients, parolees and guys who send hate mail to feminists.

Your Record and Own a Gun," an upbeat little \$14.95 guide for criminals to buy weapons legally?

In and amongst all the book ads, are ads for posters of John Wayne and Arnold Schwarzenegger, waving automatic weapons and glaring threateningly out at you from the pages of this catalogue.

I've looked at all this stuff, page by page, and I've come to a decision: The next time I need brush cleared, I think I'll just hire somebody.

The writer is a columnist for the Times Union of Albany. This column was distributed by the New York Times Service.

## BOOKS

### DANCING WITH THE DEVIL

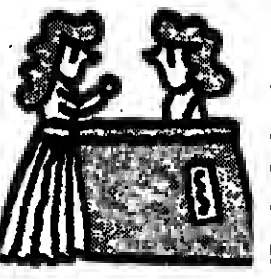
Sex, Espionage and the U.S. Marines: The Clayton Lonetree Story  
By Rodney Barker. 335 pages. \$24. Simon and Schuster.

Reviewed by David L. Wilson

CLAYTON Lonetree, the only Marine ever convicted of espionage, was released from prison on Feb. 27, and chances are you haven't heard about it till now. Lonetree walked point during the "Sex-for-Secrets Marine Spy Scandal." Every lurid allegation issued by investigators throughout his arrest, trial and subsequent conviction for spying while he was a Marine guard at the U.S. Embassy in Moscow was big news throughout much of 1987. But when he walked out of Fort Leavenworth after serving nearly nine years of

### WHAT THEY'RE READING

• Maribel Verdu, the Spanish movie actress, is reading "Nubosidad Variable" (Variable Cloudiness) by Carmen Martin Gaité. "A friend recommended it. It's fantastic, a very beautiful and sensitive story about two women who meet and tell each other about their lives." (Al Goodman, IHT)



photographs of CIA agents assigned to the embassy and copies of floor plans. But even this limited cooperation allowed the KGB to have more confidence in the information and the sources who originally provided it.

The Soviets stepped up the pressure on Lonetree after he was transferred to the U.S. Embassy in Vienna in March 1986. Barker writes that this was done in part either to get him to defect or to drive him to the brink of suicide. Either way, Lonetree, who up until this point hadn't been particularly useful to the Soviets, was about to be marketed as the source of the information that had suddenly gotten a number of U.S. assets in the Soviet Union very dead. U.S. intelligence agencies were desperately trying to identify the leak. It was Aldrich Ames, but the KGB nominated Lonetree. Later that year, Lonetree, in a fit of remorse, turned himself in to the CIA station chief in Vienna.

Barker writes that the CIA — thrilled to pin the leak on someone outside the agency — knew about Lonetree's espionage activities before he turned himself in, but the author gives no source for that declaration. In fact, Barker has written this mostly as a kind of novel, which means that much of the information, including re-created conversations, isn't attributed; you're occasionally not certain whose spin you're reading. One of the book's most significant flaws is its lack of footnotes, though it does contain a five-page list of acknowledgments.

Despite these problems, Barker has written a good book, fueled largely by a religious adherence to impartiality. In some cases, he makes little effort to resolve differences in perspective among various observers, which some readers may find a bit annoying. But that's a reflection of reality in the world of intelligence-gathering, where nobody can really be sure of what was going on. In the lobby of the CIA is an inscription from St. John's Gospel: "And ye shall know the truth, and the truth shall make you free." Clayton Lonetree is out of prison, but he's not likely to be free any time soon.

David L. Wilson, who writes about information technology for the Chronicle of Higher Education, wrote this for The Washington Post.

what was originally a 30-year sentence, he was largely ignored by the media.

The yawns are largely due to the fact that he did not, as initially advertised, escort Soviet agents on midnight jaunts through the U.S. Embassy in Moscow, plant bugs in secure areas, or lead a ring of spies made up of fellow Marines. While Lonetree clearly committed serious breaches of security, the actual damage he

inflicted on the United States was negligible compared with the efforts of the renegade CIA counterintelligence agent Aldrich Ames. In fact, the biggest favor Lonetree may have done for the Soviets was placing himself in a position where he could be blamed for the setbacks caused by the mole inside the CIA's Langley headquarters.

None of this is news, but Rodney Barker, relying in part on material now available in Russia and extensive interviews with many of the players in the melodrama, details the chain of events that led Lonetree to disgrace. In the process, Barker painstakingly examines the competing agendas of various U.S. agencies, a breakdown in discipline within the embassy and a massive disinformation campaign from intelligence agencies on both sides that created an environment in which Lonetree was for a time billed as the greatest American traitor since Benedict Arnold.

Barker writes that Lonetree was not a target for recruitment by the KGB when he set out to woo Violeta Seina in 1985, but his love for her gave the spy guys leverage over him. According to Barker, Seina, a Soviet national working as a translator in the U.S. Embassy, had obtained her plum position through a lifetime of raving on her school chums to members of the Soviet security apparatus, a practice she continued with her suitor. Once Lonetree had violated regulations by fraternizing with a foreign national, Soviet agents began pestering him for information. Lonetree, who fancied himself an intelligence expert because of a lifetime of reading thrillers, thought he could handle them. He attempted to placate the KGB operatives by providing information that he assumed (correctly) the Soviets already had, such as

Rosenberg, looking at two hands, found a way home that the commentators for the closed-circuit-television audience, looking at four, had not. He led a spade to the queen and West was helpless after dancing with the king. The key for South was to play the spade jack when that suit was led, or lead it himself if he had the opportunity. He would then score his ninth trick in one of the minor suits.

In practice, West led the spade nine and the jack won. With two winning options, Rosenberg led a diamond, won East's club return, and played a spade to endplay West.

## BRIDGE

By Alan Truscott

MICHAEL Rosenberg had to face a difficult problem in playing the diagrammed deal in three no-trump.

His right-hand opponent had doubled a fourth-suit bid of two diamonds and West led the diamond jack. It was permitted to win. Rosenberg was looking for a way to make nine tricks if the clubs were not lying favorably.

Another diamond lead would have established East's suit, but Rosenberg would have known that he could afford to lead spades: East would have opened pre-empt-

ively holding a high spade as well as the diamond ace. But West shifted to a heart. After deep thought, Rosenberg cashed the heart winners and reached this ending:

North and South were vulnerable.

The bidding:	
East	South
Pass	1♠
Pass	1♥
Pass	2♦
Pass	3NT

West led the diamond jack.

NORTH  
♦ 10 7 5  
♥ —  
♦ Q 6  
♣ 10 7

WEST  
♠ A K 9  
♥ —  
♦ —  
♣ Q 5 2

EAST  
♦ 8 3  
♥ —  
♦ A 10 9  
♣ 8 4

SOUTH  
♦ Q J 4  
♥ —  
♦ K  
♠ A K J

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## HEALTH/SCIENCE

## Anorexia: Mind and Matter

By Thomas V. DiBacco  
Washington Post Service

**W**ASHINGTON — Anorexia nervosa, a disorder in which the patient, usually a young female, refuses to eat in order to lose weight, appears to be at once a new and old malady.

Reference Books such as the Funk & Wagnall's Standard Reference Encyclopedia published in 1970 make no reference to it. Yet, after publication in 1978 of "The Golden Cage: The Enigma of Anorexia Nervosa" by Hilde Bruch, researchers began to uncover evidence that linked the disorder to the era before its official naming in the late 19th century. Moreover, the number of cases grew significantly after Dr. Bruch's book made the ailment a more popular term. The 1983 death of 32-year-old pop singer Karen Carpenter, a longtime victim, also publicized the disorder.

One researcher, writing in *History Today* in August 1993, compared contemporary instances of anorexia nervosa to cases two and three centuries ago of young girls who sought status as virtuous Catholics by living on little food. Some historians confirm the association of the Roman Catholic church's rite of fasting before partaking of the Holy Eucharist at Mass. The less food a young female ingested before and after Mass, they theorized, the more fervent and saintly she was considered to be.

Other researchers minimize such interpretations on the grounds that a thin, waif-like figure would be a distant second to the more socially acceptable full-figured female of the time.

What is certain is that the eating disorder became the object of more serious study in the middle of the 19th century.

Often the scene was in an asylum, where medical authorities regarded the condition as a form of insanity. The American physician William Stout Chipley in 1859 called the intense dread of food by adolescent female patients *simomania*, from the Greek word for food.

Fifteen years later, the British doctor William Withey Gull gave the malady its modern name. It is a misnomer in a sense: the Latin and Greek words meaning nervous or psychological loss of appetite do not recognize the fact that anorexics are indeed hungry but deny that desire. Most doctors skirted Dr. Gull's classification, dubbing the disorder a form of hysteria. Still, the hysteria was treated by concentrating on the physical reasons for fasting.

The French physician Charles Lasèque in the 1870s believed family dynamics to be an important cause. As other psychological explanations emerged in the early 20th century (by Sigmund Freud and others, who saw the disorder as an attempt to retard normal sexual development), the physical interpretations prevailed. Hence, physicians concentrated on hormonal deficiencies as causes rather than on effects of extreme dieting, focusing on the pituitary and thyroid glands, and by the 1920s on inadequate estrogen produced by the ovaries.

Not until recent decades did eating disorders in general and anorexia nervosa in particular receive a psychophysiological perspective, cemented by the appearance of Dr. Bruch's book in 1978. Dr. Bruch, professor of psychiatry at the Baylor College of Medicine at the time, based her study on 70 cases of anorexia nervosa she had treated.

Still, no specific cause of anorexia nervosa could be identified. Even the typical case has variations. It was usu-

ally a female between the ages of 12 and 20, sometimes an overachiever, other times an average student pushed to excel, often coming from what Dr. Bruch described as a "gilded cage," or privileged family. Normal in weight or slightly overweight, she begins to pursue a diet devoid of high-calorie foods. More calories are eliminated, either by missing meals, engaging in excessive exercise or over-using laxatives.

After a year or so, about half of all anorexics develop bulimia, binge eating followed by self-induced vomiting. Some victims become depressed and isolated.

**M**ENSTRUATION often ceases and other telltale signs of a serious condition emerge: thinning hair and brittle nails, slow heartbeat, osteoporosis, low blood pressure and susceptibility to infections. Kidney function may be impaired and damage to the teeth and esophagus from vomiting can occur. About 5 to 10 percent of all anorexics die, usually from heart failure, as in the case of Karen Carpenter. It is estimated that 1 to 5 percent of adolescent females in industrialized countries are affected with the disorder. About 10 percent of all victims are males.

Medical and mental health treatments, including drugs such as naltrexone, ordinarily used to cure heroin addicts, are geared to the specifics of each case, with therapy for entire families often the focus. Recovery involves not only weight gain but revised ways of dealing with food and the individual concerned.

Thomas V. DiBacco is a historian at The American University in Washington.



Dr. Polly Matzinger and her colleagues found that an antigen can produce immunity in mice.

## An Immunology Revolution?

By George Johnson  
New York Times Service

**N**EW YORK — For all mankind's existential agonizing over the nature of the self and the other, from the perspective of the immune system identity is strictly a biochemical affair. Interlopers are vigorously attacked and their molecular signatures are memorized so that next time they can be carded and stopped at the door. But when the immune system encounters the body's own cells, it recognizes them as friendly and waves them on by.

For the last half century, it has been widely believed that this ability to distinguish self from nonself — the hallmark of immunity — arises because the developing immune system operates very differently from that of an adult. The first cells the immune system sees are presumably the body's own. So instead of inducing immunity they induce tolerance. The fledgling immune system learns what its host's cells look like so that it can ignore them later on.

In a surprising turn that is being hailed by some as a full-scale challenge to the reigning theory of immunology, whose developers won a Nobel Prize in 1960, three reports in the journal *Science* argue that the common wisdom may be wrong. Researchers in three studies found that contrary to what has been considered almost gospel, the immature immune systems of newborn mice can indeed produce an immune response. And, conversely, adult immune systems can be taught to tolerate cells and substances never before encountered. Whether an immune system reacts to a stimulus by learning to fight

it or ignore it is not a simple matter of whether the mouse is an adult or neonate — a newborn, the papers suggest. It is a far more complex and subtle affair. "All three papers agree that there is nothing very different between neonate and adult immune systems," said Dr. Paul Viktor Lehmann, an immunologist at Case Western Reserve University in Cleveland and an author of one of the reports. "Neonates can respond and do respond if stimulated appropriately."

"We're challenging 50 years of immunological thought," Dr. Lehmann said. "I think it will be a surprise." The fact that this challenge is being published in the pages of an establishment journal like *Science* is causing wide repercussions among immunologists.

**D**R. Albert Bendelac, a Princeton University immunologist, said the studies called into question the very notion that the purpose of the immune system is to discriminate between self and nonself. "In a way, the new studies undermine what has been taken as a pillar of the self-nonself model," he said. "That doesn't mean the model is necessarily wrong. But the reports undermine its foundations."

The results might not only lead to a better understanding of how the immune system works, supporters say, the experiments also open the possibility of more effective vaccines for adults and maybe for newborns. The results might also help in developing treatments for autoimmune diseases like rheumatoid arthritis, in which a body essentially becomes vaccinated against its own cells. In one experiment, Dr. John Paul

Ridge and Dr. Polly Matzinger of the National Institutes of Health and Dr. Ephraim J. Fuchs of the Johns Hopkins Oncology Center in Baltimore found that under the right conditions an antigen could produce immunity in newborn mice and tolerance in adults.

"It's kind of scary to go against the dogma," said Dr. Marcello Sarzotti, an immunologist at the Veterans Affairs Medical Center in Baltimore, whose laboratory did one of the studies. "I'm sure we'll get a lot of hate and a lot of love."

Not everyone is convinced that a revolution is afoot. Dr. Charles A. Janeway Jr., professor of immunobiology at the Yale University School of Medicine, said the world could rest assured that the classic theory of the immune system remains secure and solid. "I think people have gone overboard in their comments," he said. "I think the work is an extension of the theory rather than a direct contradiction."

Dr. Alfred Singer, the chief of experimental immunology at the National Cancer Institute, said: "This is being blown so far out of proportion. The work is an important correction of some data in the field, but I don't think the studies fundamentally challenge the self-nonself theory."

Dr. Singer said that for the theory to be truly in trouble, researchers would have to show unequivocally that antigens caused immunity instead of tolerance in fetal, as opposed to newborn mice. Human babies, he noted, are born with functional immune systems. Dr. Bendelac noted, however, that mice, unlike people, were born with still developing immune systems.

## Dilemma Posed by Tiny Breast Tumors

By Gina Kolata  
New York Times Service

**N**EW YORK — In 1992, more than 23,000 American women learned that they had tiny tumors in the milk ducts of their breasts that might, or might not, develop into invasive, life-threatening breast cancers. Almost half had breasts removed (mastectomies) to avoid any chance of cancer.

Some of these tumors might never become cancerous, researchers say, yet large

numbers of women received the most radical treatment for any type of breast cancer.

A more conservative treatment, chosen by slightly more than half the women was removal of a small lump of tissue (lumpectomy), sometimes followed by radiation treatments.

The dilemma faced by women who have such tumors, and by the doctors who treat them, is partly a result of better diagnostic techniques. An increased use of mammo-

graphy brought the number of diagnoses of these small tu-

mors up fivefold in 1992 from the number 15 years earlier.

This sort of tumor, ductal carcinoma in situ (a small cancer in a milk duct) is too small to feel but is visible in a mammogram. Then, since it is impossible to tell which of these tumors are dangerous, and which are not, doctors proceeded with treatment.

All breast cancers arise in the milk ducts, experts say, but ductal carcinomas in situ, or DCIS, by definition, have not broken through the duct.

"The hallmark of a cancer under a microscope is that it is a tumor that breaks through the containing membrane," said Dr. Barnett Kramer, associate director of the early detection and community oncology program at the National Cancer Institute in Bethesda, Maryland. By that definition, he said, it is misleading even to use the word "cancer" or "carcinoma" for these tumors.

Dr. Virginia Ernster, an epidemiologist at the University

of California in San Francisco and her colleagues report on the rise in DCIS in a paper published Wednesday in *The Journal of the American Medical Association*.

No one seems certain of how to deal with the increased number of diagnoses. Dr. Marc Lippman, director of the Vincent Lombardi Cancer Center at Georgetown University in Washington said: "It is obvious that all of these lesions are moving along a conveyor belt and that if we do nothing they are destined to kill people. We just don't know."

And so, said Dr. Ernster, "in the absence of knowing which will go on to invasive cancer and which will sit there and do nothing, prudence in 1996 dictates treating everyone."

Experts disagree on whether women are being over-treated. Of greatest concern is the removal of a breast to treat a condition that, Dr. Kramer said, may not even be cancer.

## Bullying: A First Step on the Road to Criminality?

By Jane E. Brody  
New York Times Service

**N**EW YORK — A group of teenage boys decided it was "fun" to turn a quiet classmate into a human plaything. They forced him to give them money, swallow weeds, drink milk mixed with detergent and al-

low himself to be led around on a leash.

A 10-year-old girl was bribed into doing homework and running errands for a classmate who told her she would otherwise not be allowed into "the club."

The stories of bullies and their victims have a familiar ring to almost everyone. Most children are victimized by

bullies at least once. According to Dr. Carla Garrity, a child psychologist in Denver with a special interest in bullies, "approximately 10 percent of all children attending school are afraid through much of the school day." Some children avoid lunch or recess out of fear of being bullied or picked on by bullies, she said.

Few people in authority respond to bullying with the appropriate concern or with an appreciation for potentially serious consequences for both the bully and the victim. Nor do most parents, teachers or school authorities know how best to put a stop to this destructive behavior.

Contrary to popular belief, bullies are not inwardly

anxious, insecure children with a desperate need to boost themselves. Rather, when tested, bullies tend to score high in self-esteem.

Studies have shown that bullies learn their aggressive, intimidating tactics from others, especially from parents or caretakers who rely on severe and often capricious physical discipline to get their way.

"Bullies are not born that way," said Dr. Leonard Eron, a research psychologist at the University of Michigan who has been studying aggressive behavior in children for decades. "They learn that being aggressive and physically coercive is a way to get other people to do what they want and to increase their status and self-esteem."

"They learn this long before school age, from television as well as from parents. They see cartoon characters using physical force to acquire things, vent their frustrations and get their way, and they think the damage isn't permanent. The cartoon characters blow up and then come back."

Dr. John Lochman, a psychologist at Duke University, agrees that bullies "come to believe that aggressive behavior will work for them" and says "bullies place a high value on being in control and dominating others."

Bullying often does not stop in childhood. Bullies are at greatly increased risk of first becoming juvenile delinquents and later, criminals.

Dr. Dan Olweus, a psychologist at the University of Bergen in Norway, followed thousands of boys from grade school to adulthood. He found that 65 percent of the boys identified as bullies in the second grade had felony convictions by 24. As Dr. Garrity put it, "If nobody helps these children, they get worse and worse."

In an article in the current issue of *Contemporary Pedi-*

atrics, Dr. Garrity and Dr. Mitchell Barris, a psychologist in Boulder, Colorado, summarized Dr. Olweus's findings: "Bullies are at risk for conduct disorder and delinquency in adolescence, and for serious antisocial and criminal behavior in adulthood."

Dr. Eron has found that bullies achieve less academically, socially, economically and occupationally than their nonbullying peers of comparable intelligence.

"They have more arrests for felonies and more convictions for serious crimes, are more abusive toward their spouses and are more likely to have highly aggressive kids," he said.

**D**R. Olweus's research also showed that most victims of bullies do not have external characteristics that set them apart. Children who were overweight, wore glasses or spoke with an accent were not more likely to be victimized. Rather, it was mainly psychosocial characteristics that set them apart.

Victims tend to be anxious, insecure and lacking in social skills, he found. These "passive victims" are often emotionally vulnerable and physically weak, making them easy targets who do not fight back when attacked.

A second, less common type of victim is the restless, irritable child who teases and provokes others. These "provocative victims" do fight back when attacked, but are not adept enough to win. Many are thought to be children with attention deficit/hyperactivity disorder who have poor impulse control.

Dr. Olweus's long-term studies showed that, as with bullies, the propensity to remain a victim is relatively stable over time unless something is done to help the child develop new ways of thinking and behaving.

## CROSSWORD

## ACROSS

- 1 Charming one  
14 Fish whose male hatches the eggs  
15 Tree-hold shelter

## DOWN

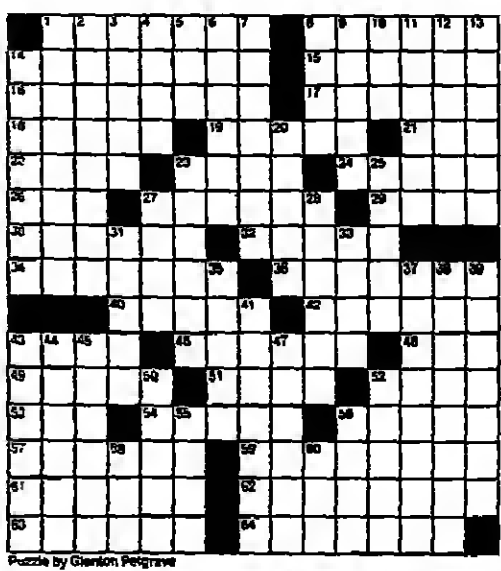
- 16 Heaven  
17 Hand to move  
18 In the know  
19 Work of Homer  
21 Ill temper  
22 Sugar source  
23 Chief

## ACROSS

- 24 Intellectuals  
25 "Am — believe — ?"  
27 Confession maker  
28 Arguable  
29 Horses' sounds  
30 Sourball  
31 Breakfast cereal  
32 1948 Literature Nobelist  
33 Old hand  
34 Crayola color  
35 C.I.S. predecessor  
36 Furrow one  
37 Take captive  
38 Domain  
39 Winter need  
40 Price  
41 Hair styling stuff  
42 Oil, pharmacologically  
43 Scurdrel  
44 Large lizard  
45 Protective fence  
46 Down below  
47 Prominent  
48 Hall of Fame members  
49 Put on a pedestal

## DOWN

- 5 Gives special nursing care  
10 Airline watchdog grp.  
11 Blue shade  
12 Car option  
13 Fair and square  
14 Typist's concern  
20 Sluggish  
21 Duped  
22 Roomy  
23 Supplied with footwear  
24 Reddish-brown winter apple  
25 Contort  
26 Israel's Goida  
27 Fast  
28 Produce new technology  
29 Was a snitch  
30 Veteran actor  
31 Insistence  
32 "I Had a Hammer" singer  
33 Bow to  
34 "Hot" dish  
35 Water filter partner  
36 Labor organizer Chavez  
37 Swedish author Gustafsson  
38 Belly flop e.g.  
39 "There you are!"  
40 Sower Physics Nobelist — Landau



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## Solution to Puzzle of March 27

SCRUB GASP RASH  
PIANO ROAR ECRU  
ATTENDANCE GRATE  
RYE GENE RAUNAS  
BORE BADE  
SODA NEATCATDEN  
AVANT GOES TEA  
LON APPEASE ERR  
SIC KEEN SONIC  
ADECENTIAN UYES  
ALONE VOLT  
PATINA TOTA MDI  
RITE NEOCANTEAT  
EDEN TRIBE CRAZE  
SEIN SEIAT EITER

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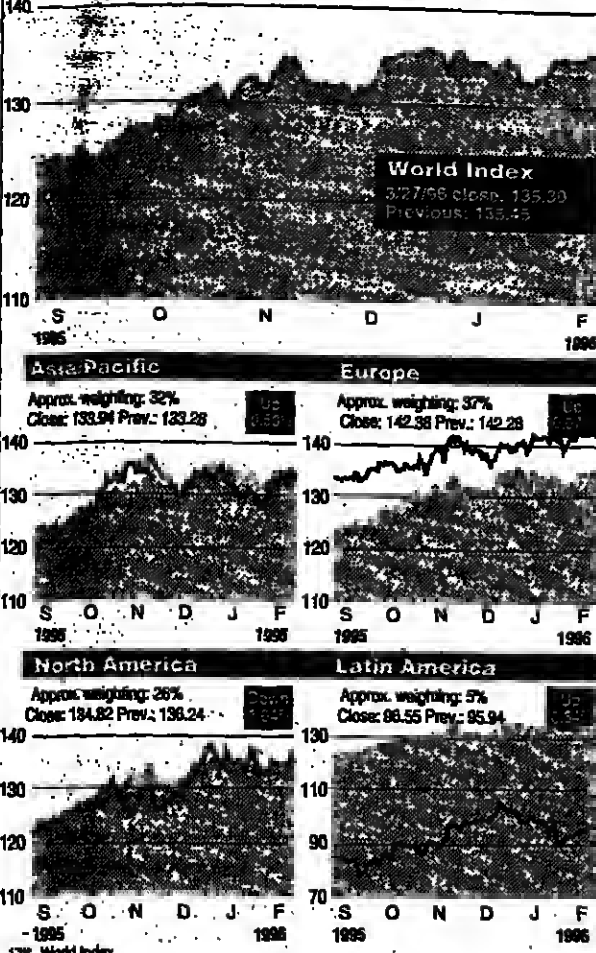
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## THE TRIB INDEX 135.30

International Herald Tribune World Stock Index composed of 250 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, and Taiwan. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization; otherwise the five top issues are tracked.

Industrial Sectors							
	Week close	Prev. close	% change		Week close	Prev. close	% change
Energy	140.78	141.49	-0.52	Capital Goods	142.82	142.27	+0.25
Utilities	127.17	126.35	+0.65	New Materials	180.58	183.77	+0.51
Finance	124.44	124.03	+0.33	Consumer Goods	142.40	143.38	-0.68
Services	121.91	122.60	-0.56	Miscellaneous	141.71	140.97	+0.52

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

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## Escom Chief Takes the Rap German Manager Steps Down Amid Losses

By John Schmid  
International Herald Tribune

FRANKFURT—The man who aggressively expanded a small private retailer of electric organs into Escom AG, Europe's third-largest computer maker, resigned Wednesday as chairman to take responsibility for deep 1995 losses.

"If someone makes mistakes, I have the opinion that they should accept the consequences," said Manfred Schmitt in an interview.

The 45-year-old entrepreneur strongly denied speculation that he was forced out by shareholders who were dissatisfied with the company's costly expansion or the loss of 125 million Deutsche marks (\$84.6 million) recorded in 1995.

"Of course the shareholders are not satisfied with that kind of result," he conceded.

Founded in 1986 with three stores, Escom was an early pace-setter in the German home-computer market. It assembled its own line of low-cost personal computers, often tailored to customer specifications in the back of each

store, and sold them at prices that undercut its rivals.

The discount market grew rapidly. By 1995, Escom sold over half a million computers and generated sales of 2.35 billion DM with 5,000 employees. Escom floated a portion of its stock in 1993, the same year it acquired a chain of German retail stores.

Cataloguing his "mistakes," Mr. Schmitt said the company tripped over itself last year as it expanded at breakneck speed at the same time that the whole PC industry was ravaged by brutal price wars. The company also badly overestimated consumer demand at Christmas in Germany.

Four weeks ago, Mr. Schmitt, who has a collection of five Lamborghini sports cars, was forced to appeal to key shareholders and creditor banks for a bailout of 100 million DM.

In a push to broaden its presence throughout Europe, Escom last year acquired 200 outlets in the Britain from Thorn EMI PLC and added its own stores there as well. The company conceded that its return on that investment has lagged expectations and stretched

thin unprepared management ranks back home in Heppenheim, Germany.

Escom also embarked on another costly venture last year with the relaunch of the Commodore and Amiga brands after Escom acquired the licenses and patents at a bankruptcy auction 12 months ago for Commodore Electronics Ltd.

According to analysts, Escom violated a golden rule in the PC industry: inventories in the business are like fish; they start to sink if you keep them too long.

Because of its decentralized strategy to assemble computers on site, Escom keeps heavy stockpiles of key parts.

It boosted those inventories before Christmas, just as prices of processors and drives went into a free fall, including a huge inventory of relatively slow Pentium 60 megahertz processors. About half of Escom's loss was in write-offs on its huge inventory.

Helmut Jost, a former Escom executive, will replace Mr. Schmitt. Mr. Jost had left Escom in November to head the German PC operations for International Business Machines Corp.

## Ferruzzi Deal Hurts Mediobanca

Compiled by Our Staff From Dispatches

MILAN—Mediobanca SpA said Wednesday its pretax profit in the second half of 1995 plunged 55 percent, buffeted by trading losses and charges taken to buy a 10 percent stake in Ferruzzi Finanziaria SpA.

Mediobanca said net income for the six months ended Dec. 31 fell to 100.4 billion lire (\$64.2 million) from 219.6 billion lire in the like period a year ago.

The bank said its profits were cut by writedowns of 288 billion lire on securities, a 46.5 billion lire reserve for future credit risks and an 82.4 billion lire charge for its acquisition of the Ferruzzi stake.

Mediobanca is being forced by the market regulator Consob to buy

10 percent of Ferruzzi, for 242 billion lire after buying that much on the open market in October. The original purchase triggered takeover laws requiring the bank to make an ideological bid, regulators said.

The writedowns masked an overall increase in revenue from the bank's core lending businesses, with interest income rising to 455 billion lire from 354 billion lire in 1994. Commissions were little changed at 79 billion lire.

Citing "improved interest margin and higher commissions and other income, which more than offset increased general expenses," gross profit from operations rose to 450 billion lire from 346.8 billion a year earlier, the bank said.

At the end of the year Mediobanca had total assets of 29.43 billion lire, a decline from the previous year when it reported total assets of 29.58 billion lire.

In Brussels, Petrofina SA said it had net profit last year of 11.6 billion Belgian francs (\$382.3 million), up 13 percent from the previous year, even though the energy company's sales fell.

Ireland's flag carrier Aer Lingus said Wednesday it returned to profit in 1995 after five years of losses with a net income of 15.1 million punts (\$23.7 million). Trans-Atlantic traffic grew 8 percent while traffic between Ireland and continental Europe grew by more than 10 percent. (Bloomberg, AFP, Reuters)

## Inventory Charge At Apple Adds Up To Mammoth Loss

Compiled by Our Staff From Dispatches

CUPERTINO, California — Apple Computer Inc. said Wednesday that it expected to post a loss of about \$700 million in the current quarter after writing off millions of dollars in unsold inventory and paying for job cuts.

Apple had already warned it would lose money in the quarter, but the figure surpassed Wall Street's expectations. It will be Apple's worst quarterly loss, far surpassing the previous record, a loss of \$188 million in the financial third quarter of 1993.

"We knew it was bad, but this is worse than expected," said Todd D. Baker, an analyst at Hambrecht & Quist.

But he added that the charges might be what Apple needs to start a turnaround.

"Hopefully that will help the company get on the path to recovery," he said.

Investors took a positive view of the announcement, with Apple's stock closing up \$1.375, at \$25.25. The shares began the year at \$31.875.

The loss from operations will be about \$200 million, Apple said. The rest is made up of charges for writing down excess inventory and dismissing at least 1,300 workers, an effort by the new chief executive, Gilbert Amelio, to get Apple back on its feet.

When Mr. Amelio took over last month, the company forecast charges of at least \$125 million and a loss wider than the \$69 million deficit recorded in the first quarter.

Apple is one of a string of PC makers that in recent weeks have warned of weak profits because of slowing computer sales.

Apple's problems run deeper, however. In addition to decreased demand, it is reeling from management turmoil and poor forecasting, which will lead to the first annual loss since it went public in 1980, analysts said.

"I'm confident that I know what

the problems are and that they are fixable," said Mr. Amelio, who replaced Michael Spindler. "We plan to aggressively address these issues and take the necessary corrective actions."

Mr. Amelio said more than half of the \$700 million loss for the quarter ending March 31 will be charges for inventory write-downs and about a quarter will be restructuring charges. The charges are "critical steps" in Apple's comeback, he said. (Bloomberg, AP)

## U.S. Investigates Moody's Ratings

Reuters

NEW YORK — Moody's Investors Service Inc. said Wednesday that the federal government was investigating its practice of issuing unrequested ratings on municipal bonds and asset-backed securities such as mortgage bonds.

"What they say is that they're conducting a preliminary investigation of certain business practices in the rating industry related to asset-backed securities, mortgage-backed securities, municipal securities and the practice of unsolicited ratings," said George Fasel, managing director of communications at Moody's.

Moody's has occasionally issued unsolicited ratings for issuers that had not requested them, when the rating agency feels the deal is particularly noteworthy for the market or may affect other outstanding Moody's ratings.

The practice has raised the ire of some issuers who received negative ratings from Moody's even though they never asked the agency to assess their debt.

In one such case, Jefferson County School District in Colorado filed suit against Moody's for issuing a negative rating that the district said hurt the marketability of its bonds.

## INTERNATIONAL MANAGER

### The West Bank's Own Microbrewery

By Neil MacFarquhar  
New York Times Service

TAYBEH, West Bank — As niche beers go, Taybeh Beer faces hurdles unknown to other brewers.

It is a beer whose main market is a Muslim society where the faith forbids alcohol. It is a Palestinian beer trying to gain a following among Israelis. It is beer made at a small, family-owned brewery whose fortunes rise and fall with a troubled Middle East peace.

"It's no way to do business, but we have no choice," said Nadim C. Khoury, the brewery's Palestinian owner, said.

Mr. Khoury, 36, started brewing his own beer while a college student in Boston. He decided after the signing of the Israeli-Palestinian peace accords in 1993 to return from the United States to pursue an old vision: opening a brewery in his native village, Taybeh, which means "delicious" in Arabic.

But it was not without some trepidation that he plowed \$1.2 million of family savings into building the brewery last August.

Mr. Khoury and other members of the Christian minority, an estimated 5 percent of the two million residents of the West Bank and Gaza, have no religious injunction against selling or consuming alcohol. But though drinking, even in public, is usually tolerated, prevailing Muslim customs heavily discourage the trade, while the more severe Islamic activists threaten to punish anyone who breaks the taboo against selling alcohol.

Although the sale of beer is not altogether banned, promotion can be problematic. Palestinian newspapers refuse to accept advertisements for the beer or even to write about it. Posters plugging the beer put up around the West Bank have been torn down, and during the Muslim holy

month of Ramadan, Christian shopkeepers often find it prudent to sell beer only from under the counter.

A pamphlet put out by Taybeh proclaims, "Our growth depends on an old form of advertising — good word of mouth." It is true.

"We like it because it is Palestinian beer, and also because it is good beer," said Youssef Habesh, a student drinking a Taybeh with dinner in Ramallah.

"It's better than Budweiser," said another drinker, Sami Issa, one of 30,000 Palestinian Americans on the West Bank whom Khoury considers a promising market.

Sales reflect the favorable reviews. Production, which started last August at 500 cases per week, has since doubled, and the hot summer months ahead could further increase demand.

"I can say without fear of contradiction that it is the best microbrewery in the Middle East," said Edward G. Abington, the American consul general in Jerusalem. "In fact, it is probably the only microbrewery in the Middle East."

The microbrewery cachet has also got Taybeh Beer stocked in the upscale shops and bars of Tel Aviv and Jerusalem. Israeli distributors have even begun competing for exclusive rights to sell it. It appears to be a novelty item, but the sales have crept upward.

The Avi Ben Wine Shop in west Jerusalem puts Taybeh on the shelf along with beers from China, Denmark, Scotland and Czechoslovakia.

Although one might actually have trouble identifying it as a Palestinian product from the label — there is not a word of Arabic on it — the beer is nevertheless sometimes a



See BEER, Page 15

## CURRENCY & INTEREST RATES

Cross Rates	March 27	Eurocurrency Deposits	March 27
Australia	1.445 1.335	Dollar	1.000 1.000
Canada	1.445 1.335	D-Mark	1.936 1.936
France	1.445 1.335	Franc	6.559 6.559
Germany	1.445 1.335	Shilling	13.760 13.760
Italy	1.445 1.335	Yen	163.60 163.60
Japan	1.445 1.335	ECU	1.936 1.936
UK	1.445 1.335	1-month	5 1/8 5 1/8
Switzerland	1.445 1.335	3-month	5 1/8 5 1/8
Spain	1.445 1.335	6-month	5 1/8 5 1/8
Sweden	1.445 1.335	1-year	5 1/8 5 1/8
Norway	1.445 1.335	2-year	5 1/8 5 1/8
Denmark	1.445 1.335	3-year	5 1/8 5 1/8
Greece	1.445 1.335	4-year	5 1/8 5 1/8
Portugal	1.445 1.335	5-year	5 1/8 5 1/8
Ireland	1.445 1.335	6-year	5 1/8 5 1/8
Netherlands	1.445 1.335	7-year	5 1/8 5 1/8
Belgium	1.445 1.335	8-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	9-year	5 1/8 5 1/8
Austria	1.445 1.335	10-year	5 1/8 5 1/8
Finland	1.445 1.335	11-year	5 1/8 5 1/8
Sweden	1.445 1.335	12-year	5 1/8 5 1/8
Norway	1.445 1.335	13-year	5 1/8 5 1/8
Denmark	1.445 1.335	14-year	5 1/8 5 1/8
Greece	1.445 1.335	15-year	5 1/8 5 1/8
Portugal	1.445 1.335	16-year	5 1/8 5 1/8
Ireland	1.445 1.335	17-year	5 1/8 5 1/8
Netherlands	1.445 1.335	18-year	5 1/8 5 1/8
Belgium	1.445 1.335	19-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	20-year	5 1/8 5 1/8
Austria	1.445 1.335	21-year	5 1/8 5 1/8
Finland	1.445 1.335	22-year	5 1/8 5 1/8
Sweden	1.445 1.335	23-year	5 1/8 5 1/8
Norway	1.445 1.335	24-year	5 1/8 5 1/8
Denmark	1.445 1.335	25-year	5 1/8 5 1/8
Greece	1.445 1.335	26-year	5 1/8 5 1/8
Portugal	1.445 1.335	27-year	5 1/8 5 1/8
Ireland	1.445 1.335	28-year	5 1/8 5 1/8
Netherlands	1.445 1.335	29-year	5 1/8 5 1/8
Belgium	1.445 1.335	30-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	31-year	5 1/8 5 1/8
Austria	1.445 1.335	32-year	5 1/8 5 1/8
Finland	1.445 1.335	33-year	5 1/8 5 1/8
Sweden	1.445 1.335	34-year	5 1/8 5 1/8
Norway	1.445 1.335	35-year	5 1/8 5 1/8
Denmark	1.445 1.335	36-year	5 1/8 5 1/8
Greece	1.445 1.335	37-year	5 1/8 5 1/8
Portugal	1.445 1.335	38-year	5 1/8 5 1/8
Ireland	1.445 1.335	39-year	5 1/8 5 1/8
Netherlands	1.445 1.335	40-year	5 1/8 5 1/8
Belgium	1.445 1.335	41-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	42-year	5 1/8 5 1/8
Austria	1.445 1.335	43-year	5 1/8 5 1/8
Finland	1.445 1.335	44-year	5 1/8 5 1/8
Sweden	1.445 1.335	45-year	5 1/8 5 1/8
Norway	1.445 1.335	46-year	5 1/8 5 1/8
Denmark	1.445 1.335	47-year	5 1/8 5 1/8
Greece	1.445 1.335	48-year	5 1/8 5 1/8
Portugal	1.445 1.335	49-year	5 1/8 5 1/8
Ireland	1.445 1.335	50-year	5 1/8 5 1/8
Netherlands	1.445 1.335	51-year	5 1/8 5 1/8
Belgium	1.445 1.335	52-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	53-year	5 1/8 5 1/8
Austria	1.445 1.335	54-year	5 1/8 5 1/8
Finland	1.445 1.335	55-year	5 1/8 5 1/8
Sweden	1.445 1.335	56-year	5 1/8 5 1/8
Norway	1.445 1.335	57-year	5 1/8 5 1/8
Denmark	1.445 1.335	58-year	5 1/8 5 1/8
Greece	1.445 1.335	59-year	5 1/8 5 1/8
Portugal	1.445 1.335	60-year	5 1/8 5 1/8
Ireland	1.445 1.335	61-year	5 1/8 5 1/8
Netherlands	1.445 1.335	62-year	5 1/8 5 1/8
Belgium	1.445 1.335	63-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	64-year	5 1/8 5 1/8
Austria	1.445 1.335	65-year	5 1/8 5 1/8
Finland	1.445 1.335	66-year	5 1/8 5 1/8
Sweden	1.445 1.335	67-year	5 1/8 5 1/8
Norway	1.445 1.335	68-year	5 1/8 5 1/8
Denmark	1.445 1.335	69-year	5 1/8 5 1/8
Greece	1.445 1.335	70-year	5 1/8 5 1/8
Portugal	1.445 1.335	71-year	5 1/8 5 1/8
Ireland	1.445 1.335	72-year	5 1/8 5 1/8
Netherlands	1.445 1.335	73-year	5 1/8 5 1/8
Belgium	1.445 1.335	74-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	75-year	5 1/8 5 1/8
Austria	1.445 1.335	76-year	5 1/8 5 1/8
Finland	1.445 1.335	77-year	5 1/8 5 1/8
Sweden	1.445 1.335	78-year	5 1/8 5 1/8
Norway	1.445 1.335	79-year	5 1/8 5 1/8
Denmark	1.445 1.335	80-year	5 1/8 5 1/8
Greece	1.445 1.335	81-year	5 1/8 5 1/8
Portugal	1.445 1.335	82-year	5 1/8 5 1/8
Ireland	1.445 1.335	83-year	5 1/8 5 1/8
Netherlands	1.445 1.335	84-year	5 1/8 5 1/8
Belgium	1.445 1.335	85-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	86-year	5 1/8 5 1/8
Austria	1.445 1.335	87-year	5 1/8 5 1/8
Finland	1.445 1.335	88-year	5 1/8 5 1/8
Sweden	1.445 1.335	89-year	5 1/8 5 1/8
Norway	1.445 1.335	90-year	5 1/8 5 1/8
Denmark	1.445 1.335	91-year	5 1/8 5 1/8
Greece	1.445 1.335	92-year	5 1/8 5 1/8
Portugal	1.445 1.335	93-year	5 1/8 5 1/8
Ireland	1.445 1.335	94-year	5 1/8 5 1/8
Netherlands	1.445 1.335	95-year	5 1/8 5 1/8
Belgium	1.445 1.335	96-year	5 1/8 5 1/8
Luxembourg	1.445 1.335	97-year	5 1/8 5 1/8
Austria	1.445 1.335	98-year	5 1/8 5 1/8
Finland	1.445 1.335	99-year	5 1/8 5 1/8
Sweden	1.445 1.335	100-year	5 1/8 5 1/8

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## Philips Shifts Chips

198 pence, in London trading.

But many analysts shared the company's optimism that the restructuring of the glass-making operations would result in greater earning power and profitability in time.

Pilkington said the program would "improve operating efficiencies and yields and further reduce overhead costs," as well as bolster its competitive position.

Its plan to combine production facilities for automotive glass in Europe follows the purchase of Società Italiana Vetro SpA of Italy last year, for which the rights issue funds had been raised.

The company said its plan covered new restructuring of its American automotive glass factories.

"In addition, the group has reviewed the assets employed in Germany and is restructuring its building products business there in order to remove excess capacity," Pilkington said. The German restructuring was intended to "improve its competitive position in a trading environment which is expected to be more difficult in 1996."

The trading picture for European construction had worsened during the winter, Pilkington added, due to severe weather conditions.

(Reuters, Bloomberg)

# Japan Agrees To Trim Sales Of Vehicles In EU for '96

*Compiled by Our Staff From Dispatches*

**TOKYO** — Japan and the European Union agreed to lower the ceiling on Japanese vehicle exports, amid expectations for sluggish growth in the European market, officials said Wednesday.

The agreement cuts the maximum number of exports of cars and light trucks from Japan this year by 5,000 vehicles, or 0.5 percent, from the 1995 level, to a total of 1.066 million, according to Japanese and EU officials.

A reduction had been expected partly because Japan did not exhaust its 1995 quota.

The cut also reflects an expected fall in demand in the EU along with an adjustment for the enlargement of the bloc to 15 countries where Austria, Finland and Sweden joined last year.

But the quota understates the extent of the Japanese presence in the EU auto market because it does not include the growing number of cars made in Europe at Japanese-owned plants.

Nevertheless, the Japanese Automobile Manufacturers' Association, the industry's leading trade group, issued a terse statement calling the result of the talks "rather shallow" in light of signs the European market is recovering.

# IMF Won't Lend to a Red Russia

**WASHINGTON** — The International Monetary Fund would have to suspend a loan it has approved for Russia if a new Russian government to be elected this year took a Communist approach to the economy, an IMF official said on Wednesday.

If such a government took "a Communist approach, then indeed agreement would be impossible and then we would have to suspend our support," the IMF's managing director, Michel Camdessus, told a news conference called to announce details of the \$10.1 billion loan.

The three-year loan announced on Tuesday evening is designed to help Russia along the road from communism to capitalism.

But President Boris N. Yeltsin,

loan, has been lagging well behind the Communist candidate, Gernadi Zyuganov, in opinion polls 12 weeks before June elections.

Mr. Camdessus said the IMF did not wish to interfere in Russian politics and had followed its own rules in making the loan. "The question is what kind of policy the new government would intend to apply," he said.

Mr. Camdessus said he could imagine a former Communist developing an economic program that would be perfectly in line with the conditions for a loan, but it would be "another thing" if a new government took a basically different direction.

■ **Roofing Telecom Stake**

AO Svazinvest, Russia's

second-largest telecommunications company, said it would reoffer a \$1.4 billion minority stake originally awarded to Stet SpA and promised to tighten control over its regional telephone units, Bloomberg reported from Moscow.

Stet, Italy's state-owned telecommunications company, backed out of the investment in December because of concerns about control over Svyazinvest's regional operating companies. Carlo Del Bo, Stet's representative in Moscow, said the company was still interested in working in Russia, but he would not specifically state that it would bid.

Svyazinvest's general director, Alexander Lipatov, said the company would increase control over the operating units, but tender terms remain unchanged.

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
<b>Exchange</b> <b>Index</b> <b>Year</b> <b>Close</b> <b>Change</b>	<b>Exchange</b> <b>Index</b> <b>Year</b> <b>Close</b> <b>Change</b>	<b>Exchange</b> <b>Index</b> <b>Year</b> <b>Close</b> <b>Change</b>
Asterdam     EDE     323.11     +25.50     1995	Amsterdam     EDE     323.11     +25.50     1995	Amsterdam     EDE     323.11     +25.50     1995
Brussels     Stock Exchange     2,535.50     +252.50     1995	Brussels     Stock Exchange     2,535.50     +252.50     1995	Brussels     Stock Exchange     2,535.50     +252.50     1995
Frankfurt     DAX     2,525.42     +252.50     1995	Frankfurt     DAX     2,525.42     +252.50     1995	Frankfurt     DAX     2,525.42     +252.50     1995
Copenhagen     Stock Market     382.54     +38.54     1995	Copenhagen     Stock Market     382.54     +38.54     1995	Copenhagen     Stock Market     382.54     +38.54     1995
Helsinki     HEX Helsinki     1,597.22     +159.72     1995	Helsinki     HEX Helsinki     1,597.22     +159.72     1995	Helsinki     HEX Helsinki     1,597.22     +159.72     1995
Oslo     ODX     671.41     +67.14     1995	Oslo     ODX     671.41     +67.14     1995	Oslo     ODX     671.41     +67.14     1995
London     FTSE 100     3,872.45     +387.24     1995	London     FTSE 100     3,872.45     +387.24     1995	London     FTSE 100     3,872.45     +387.24     1995
Madrid     Stock Exchange     3,010.51     +301.05     1995	Madrid     Stock Exchange     3,010.51     +301.05     1995	Madrid     Stock Exchange     3,010.51     +301.05     1995
Milan     IRISTE     2,555.51     +255.51     1995	Milan     IRISTE     2,555.51     +255.51     1995	Milan     IRISTE     2,555.51     +255.51     1995
Paris     CAC 40     1,950.50     +195.05     1995	Paris     CAC 40     1,950.50     +195.05     1995	Paris     CAC 40     1,950.50     +195.05     1995
Stockholm     SX 15     1,595.51     +159.55     1995	Stockholm     SX 15     1,595.51     +159.55     1995	Stockholm     SX 15     1,595.51     +159.55     1995
Vienna     ATX     1,595.51     +159.55     1995	Vienna     ATX     1,595.51     +159.55     1995	Vienna     ATX     1,595.51     +159.55     1995
Zurich     SMI     2,555.51     +255.51     1995	Zurich     SMI     2,555.51     +255.51     1995	Zurich     SMI     2,555.51     +255.51     1995

Source: Telekurs International Market Traders

- **Bremer Vulkan Verbund AG** has agreed to give up Eastern German shipyards; the troubled shipbuilder has been accused of improperly redirecting 850 million Deutsche marks (\$583.0 million) in aid intended for Eastern yards to Western German operations.
- **Union des Assurances de Paris SA** saw its shares slump 10 percent, to 104.50 francs, a day after the insurer posted a 19 percent loss of 2.07 billion francs (\$409.5 million). The company to large one-time charges for real estate and investment losses.
- **Pirelli SpA** said strong sales of tires and cables and reduced financing costs helped its 1995 profit rise to 257 billion lire (\$164.3 million) from 110 billion lire in 1994. Revenue rose 11 percent, to 10.89 trillion lire.
- **The European Commission** approved a £71.3 million (\$108.6 million) aid package to help Ford Motor Co. double production at Jaguar, its luxury auto unit in Britain. Ford is threatened to build its next-generation Jaguar in America unless the aid were granted.

*Bloomberg Business News*

**LONDON**—Orange PLC's initial stock offering on Wednesday earned the mobile communications company at least £524 million (\$949 million), analysts said.

On their first day of trading, Orange shares closed at 22 pence, 17 percent higher than the sale price of 205 pence set by the company. A total of 21.4 million shares traded.

"People wanting a position in this industry means the will go very well in the short term," said Patrick Hickey, analyst at Henderson Crosthwaite Institutional Brokers.

Orange sold 325 million shares, a spokesman said, or 21 percent of the company. Investor demand for shares exceeds the size of the sale by 10 times, which allows Orange's owners, Hutchison Whampoa Ltd. of Hong Kong and British Aerospace PLC, to sell an extra 48.75 million shares in an overall offering that could be worth £99.9 million.

## INTERNATIONAL FUTURES

[illegible]

March 27, 1996

High Low Close Change

High Low Close Change

Grains

CORN (COT)

15,000 lbs., cents per bu.  
 Mar 27 3.05 3.15 3.09 +0.07 152.1  
 Apr 1 3.05 3.15 3.09 +0.07 152.1  
 May 1 3.05 3.15 3.09 +0.07 152.1  
 Jun 1 3.05 3.15 3.09 +0.07 152.1  
 Jul 1 3.05 3.15 3.09 +0.07 152.1  
 Aug 1 3.05 3.15 3.09 +0.07 152.1  
 Sep 1 3.05 3.15 3.09 +0.07 152.1  
 Oct 1 3.05 3.15 3.09 +0.07 152.1  
 Nov 1 3.05 3.15 3.09 +0.07 152.1  
 Dec 1 3.05 3.15 3.09 +0.07 152.1  
 Jan 1 3.05 3.15 3.09 +0.07 152.1  
 Feb 1 3.05 3.15 3.09 +0.07 152.1  
 Mar 1 3.05 3.15 3.09 +0.07 152.1

SOYBEAN MEAL (COT)

42,000 lbs., cents per ton  
 Mar 27 23.08 23.38 23.16  
 Apr 1 23.08 23.38 23.16  
 May 1 23.08 23.38 23.16  
 Jun 1 23.08 23.38 23.16  
 Jul 1 23.08 23.38 23.16  
 Aug 1 23.08 23.38 23.16  
 Sep 1 23.08 23.38 23.16  
 Oct 1 23.08 23.38 23.16  
 Nov 1 23.08 23.38 23.16  
 Dec 1 23.08 23.38 23.16  
 Jan 1 23.08 23.38 23.16  
 Feb 1 23.08 23.38 23.16  
 Mar 1 23.08 23.38 23.16

WHEAT (COT)

60,000 lbs., cents per ton  
 Mar 27 1.52 1.58 1.54  
 Apr 1 1.52 1.58 1.54  
 May 1 1.52 1.58 1.54  
 Jun 1 1.52 1.58 1.54  
 Jul 1 1.52 1.58 1.54  
 Aug 1 1.52 1.58 1.54  
 Sep 1 1.52 1.58 1.54  
 Oct 1 1.52 1.58 1.54  
 Nov 1 1.52 1.58 1.54  
 Dec 1 1.52 1.58 1.54  
 Jan 1 1.52 1.58 1.54  
 Feb 1 1.52 1.58 1.54  
 Mar 1 1.52 1.58 1.54

RICE (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
 Sep 1 1.18 1.22 1.20  
 Oct 1 1.18 1.22 1.20  
 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

BARLEY (COT)

60,000 lbs., cents per ton  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
 Sep 1 1.18 1.22 1.20  
 Oct 1 1.18 1.22 1.20  
 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

OATS (COT)

60,000 lbs., cents per ton  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
 Sep 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

MILK (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

EGGS (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

LIVESTOCK

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
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 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

PORK (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

BEEF (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

CHICKEN (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

TURKEY (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

PHEASANT (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

DUCK (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

GOOSE (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
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 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

SQUAB (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Mar 1 1.18 1.22 1.20

PHEASANT (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
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 Mar 1 1.18 1.22 1.20

DUCK (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
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 Mar 1 1.18 1.22 1.20

GOOSE (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
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SQUAB (COT)

100 lbs., cents per cwt.  
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 Mar 1 1.18 1.22 1.20

PHEASANT (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
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 Jun 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

DUCK (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
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 Jan 1 1.18 1.22 1.20  
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 Mar 1 1.18 1.22 1.20

GOOSE (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
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SQUAB (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
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 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

PHEASANT (COT)

100 lbs., cents per cwt.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
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 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

Orange Juice (NCTM)

15,000 lbs., cents per bu.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
 Sep 1 1.18 1.22 1.20  
 Oct 1 1.18 1.22 1.20  
 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
 Feb 1 1.18 1.22 1.20  
 Mar 1 1.18 1.22 1.20

15,000 lbs., cents per bu.  
 Mar 27 1.18 1.22 1.20  
 Apr 1 1.18 1.22 1.20  
 May 1 1.18 1.22 1.20  
 Jun 1 1.18 1.22 1.20  
 Jul 1 1.18 1.22 1.20  
 Aug 1 1.18 1.22 1.20  
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 Oct 1 1.18 1.22 1.20  
 Nov 1 1.18 1.22 1.20  
 Dec 1 1.18 1.22 1.20  
 Jan 1 1.18 1.22 1.20  
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NYSE

Wednesday's 4 p.m. Close  
National prices, not reflecting late trades shown.  
The Associated Press

By The AP Wire Service

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ASIA/PACIFIC

## U.S. and Japan Reach a Limited Air-Cargo Accord

By Sandra Sugawara  
Washington Post Service

TOKYO — The United States and Japan reached an agreement Wednesday to allow increased air cargo service between the two nations, according to industry sources.

The agreement, which is to be announced Thursday in Tokyo, will settle one of the four major trade issues that U.S. officials have said they want resolved before President Bill Clinton's visit in mid-April. The other three issues — insurance, photographic film and semiconductor — are still being negotiated.

In order to reach an air-cargo agreement, however, negotiators had to sidestep the most contentious issue: beyond rights, these involve, for example, the rights of a U.S. carrier to

fly to Japan and then continue to other locations in Asia, such as the Philippines, or the rights of a Japanese airline to land in America and then continue on to a third country.

In an effort to take advantage of the economic boom in Asia, Federal Express Corp. has been pushing for more flights from Japan to other Asian countries. Japanese airlines fear that Federal Express's growing success in Asia could hamper their efforts to expand their air-cargo businesses, according to analysts.

The new agreement will revise an aviation accord signed in 1952 that gave preferential treatment to the only four carriers operating in the region at that time: Pan American World Airways (whose rights have been purchased by United Airlines), Northwest Airlines, operations acquired by Federal Express and Japan Air Lines.

## IBM Japan Profits From PC Demand

Compiled by Our Staff From Dispatches

TOKYO — IBM Japan Ltd.'s net profit tripled in 1995, the wholly owned subsidiary of International Business Machines Inc. said Wednesday, as sales rose 3 percent.

Increased domestic personal computer sales helped IBM Japan net 39.44 billion yen (\$371.0 million), up from 13.20 billion yen in 1994. Total sales were 1.31 trillion yen, led by a 70 percent increase in personal-computer and workstation shipments, to nearly 600,000, and strong corporate demand for computer network services.

IBM Japan forecast PC shipments to reach 800,000 this year.

President Kakuro Kishimoto said the company would hire 400 to 500 new graduates in 1997, up from the 231 it has already hired this year.

At the start of 1995, IBM Japan reintegrated two subsidiaries it had spun off as part of move into software and services. When compared with the 1994 results for IBM Japan only, net profit rose 278 percent, while sales increased 9 percent. (AP, Bloomberg)

Japan Air Lines received more limited rights under the treaty than did the other carriers, and Japanese officials have long tried to renegotiate the accord. In addition, non-incumbent air-cargo carriers, such as United Parcel Service of America Inc. and Nippon Cargo Airlines Co., have argued that it was unfair to them because they must get approval from both countries to expand.

Under the agreement reached Wednesday, Nippon Cargo and UPS will be allowed to significantly increase their flights between Japan and the United States, according to sources.

Restrictions on the number of air-cargo flights that Japan Air Lines can fly will also be removed, putting them on a more equal footing with the U.S. carriers.

Executives of passenger airlines that were not included in the 1952 treaty said Wednesday that they hoped the new air-cargo agreement would pave the way for renegotiations on passenger service. The Japanese government, which has argued that the passenger portion of the treaty is also unfair to Japan, has pushed for such talks.

But the United States has been noncommittal about the issue, which has pitted "insiders" United and Northwest against "outsiders" Delta Air Lines Inc., American Airlines Inc., Continental Airlines Inc. and Trans World Airlines Inc.

## Asians Worry About Nukes

### Atomic Power Under Scrutiny Despite Demand

By Michael Richardson  
International Herald Tribune

SINGAPORE — Growing public concern in Asia over the safety and high construction costs of nuclear power is likely to sharply curtail official plans to build atomic plants, despite the region's surging appetite for electricity.

Opposition in Asia to nuclear power may cut official expansion plans by half, a new study has concluded.

To help meet electricity demand, the generating capacity of nuclear plants in China, India, Indonesia, Pakistan, Japan, South Korea and Taiwan will have to increase to nearly 96,500 megawatts by 2005, up from just over 59,000 megawatts in 1995, according to official forecasts.

But the study by the East-West Center in Hawaii says that only in South Korea and China does nuclear power expansion seem to be advancing smoothly.

"Even then, we would not be surprised if China's plans take longer to implement than is now scheduled," said Ronald E. Hagen, an energy specialist at the center who wrote the report.

He said that the expected construction of nuclear plants in Asia is lagging because of technical, financial and location problems, and that capacity growth could be "as little as half" what governments have planned.

In Japan — which accounted for more than two thirds of Asia's nuclear power output in 1995 — recent problems with prototypes of advanced conventional reactors and fast-breeder reactors have severely dented public confidence in atomic energy, analysts said.

The advanced conventional reactors and a new generation of fast-breeder reactors, which produce more nuclear fuel than they consume, are intended to give Japan increased control of its energy supplies. Tokyo has said it would not alter plans to increase reliance on nuclear power to 42 percent of electricity output by 2010 from 30 percent now.

Kazuo Fujimori, managing director of the private Institute of Energy Economics in Tokyo, said that an accident at the Monju fast-breeder reactor in December that authorities tried to cover up had dealt a "serious blow to Japan's nuclear power plans, which were already showing signs of stalling."

Mr. Hagen said that a program in Japan to encourage independent power producers to generate

electricity in competition with existing utilities would put pressure on all plant operators to reduce costs.

"The high cost of building nuclear plants combined with the IPP program will probably discourage the development of unsubsidized new nuclear plants, so long as the costs of fossil fuels remain low," he said.

Building a nuclear plant costs two or three times as much as a conventional one and can take 10 years.

Japan has 49 nuclear reactors providing power on a commercial basis. Three reactors are under construction and scheduled for completion by July 1997. Two more are planned, but one is expected to be blocked by opposition from residents near the site.

While there has been some opposition from environmentalists and local residents in South Korea, the second-largest nuclear power producer in Asia, it has not caused any delays in the country's plans to expand atomic energy, which already accounts for nearly 40 percent of its electricity needs.

South Korea operates nine nuclear plants, is building seven more and plans to construct an additional eight units by 2010.

However, local opposition in Taiwan, Asia's third-biggest nuclear power producer, has prevented construction of any new reactor since 1984.

China, which now derives less than 1 percent of its energy from nuclear power, plans to increase its nuclear capacity to 20,000 megawatts by 2010 from 2,100 megawatts in 1995, although some Western analysts said that financial and technical constraints were likely to make this goal difficult to achieve.

Indonesia's National Atomic Energy Agency is due to complete a feasibility study for the country's first nuclear project by the end of May.

The plant, which would cost an estimated \$17 billion, would be the first of 12 such plants with a combined capacity of 7,000 megawatts.

But the agency's plans for an initial 1,800 megawatt plant near a dormant volcano in earthquake-prone central Java — the main industrial center and most densely populated island in Indonesia — has become a target of increasingly widespread criticism on cost and safety grounds.

Subroto, a former Indonesian energy minister, said earlier this month that nuclear plants were expensive and that Indonesia could meet its future energy needs from oil, gas, hydro-power and geothermal resources.

## Too Many Refiners Spoil the Market

Agence France-Presse

SINGAPORE — Oil refining capacity in the Asia-Pacific region is set for a massive buildup that could lead to a temporary glut of some petroleum products, an oil conference was told Wednesday.

Refining capacity in the region has so far lagged demand, but "the period 1996 to 1998 will see an unusual buildup of refinery capacity unparalleled in the region's history," according to a presentation

by Hawaii's East-West Center at an oil-industry conference here.

About 2 million barrels per day of new capacity is set to come on stream as South Korea, Thailand, Taiwan, Malaysia, China, the Philippines and India create new facilities or expand existing ones.

"With this massive expansion in a relatively short time, we may see a temporary glut of certain products in the near future that not only will bring down the prices but may also

discourage future plans for refinery expansion in the region."

The warning was contained in a paper presented to delegates at the Singapore International Bunkering conference — a meeting devoted to developments in fuel oil for ships — by Feridun Fesharaki and Widhiyawan Prawiratmadja of the East-West Center.

The term bunkering comes from bunker, a 1,000-metric ton lot of fuel oil for ships.

## Beijing Obstructs Loophole

Bloomberg Business News

BEIJING — China is slowing final approval for as many as 20,000 foreign-funded ventures, a delay that could expose them to a new tax.

Beijing has ordered reviews of projects involving less than \$30 million in investment following a flood of applications. The applicants were seeking to beat a deadline — joint ventures approved after Sunday must pay duty on capital-equipment imports.

"Central government departments are afraid that some regions may take advantage of the grace period to set up too many joint ventures, regardless of the regulations, conditions and procedures," said Wang Hong of the State Planning Commission.

The special review, ordered in January, does not affect investments of more than \$30 million. Those already required approval by the planning commission.

## Stake in Trafalgar Drags on Hongkong Land as '95 Profit Dips

Compiled by Our Staff From Dispatches

HONG KONG — Hongkong Land Holdings Ltd. said Wednesday that 1995 net profit fell 30 percent from a year earlier as its stake in the unprofitable British conglomerate Trafalgar House PLC caused a hefty charge.

Kvaerner A/S made a \$1.4 billion dollar offer for Trafalgar this month, and Hongkong Land agreed to sell its 26 percent stake to the Norwegian company.

Simon Keswick, Hongkong Land's chairman, said, "The company's strategy

for its future development is to focus on high-quality property and infrastructure investments in Asia."

Hongkong Land, the property arm of the Jardine group of companies, earned 256.9 million Hong Kong dollars in 1995 (\$33.2 million), compared with 365.5 million dollars a year earlier. Operating income, however, rose 12 percent, to 465.6 million dollars. The company said it expected operating income to grow in 1996.

Hongkong Land said it incurred a loss of 145.5 million dollars from its interest in

Trafalgar House PLC.

Shares Hongkong Land, which are listed in London, rose 2 pence, to 153 (\$1.40).

Dairy Farm International Holdings Ltd., another Jardine company, said its 1995 net profit fell 37 percent from a year earlier, to 135.2 million dollars. Sales at the international food company rose 12 percent, to 11.70 billion dollars.

Dairy Farm said it faced intense competition in its mature markets, and rising development costs in new markets.

Mandarin Oriental International Ltd., the

Jardine group's hotel operator, posted a 10 percent rise in 1995 net profit, to 53.7 million dollars. Sales rose 8 percent, to 192 million dollars.

The company said that the strong 1995 performance of its Hong Kong hotels would continue in 1996.

"Some improvement is expected in our other markets, although the two new hotels which opened in early 1996 will take time to reach their full potential," said Mr. Keswick, who also is Mandarin Oriental's chairman. (AFP, AFX, Bloomberg, Reuters)

## BEER: A Christian Palestinian Starts a West Bank Microbrewery

Continued from Page 11

victim of the tangled Arab-Israeli conflict.

After the suicide bombings that recently killed more than 60 people, Israel sealed off all 465 villages of the West Bank, meaning that Mr. Khoury could not get his trucks into nearby Ramallah, much less Israel itself. With his home village his only market, his sales slumped to about three cases a day.

"The current situation is a disaster," he said, adding that if such problems persisted it might kill off the brewery. Restrictions on trade within the West Bank have been lifted, but travel restrictions still limit exports to Israel.

Foreign diplomats are trying to do their part. Everyone from the staff members of the Vatican Embassy to the United States Marines serve Taybeh at their receptions, although there are holdouts. A spokesman for the German Embassy, however, said the embassy was unaware of any West Bank brewery at all.

"We feel it is a beer with a bit of a kick to it," said James Hopkins, the British Consul in Jerusalem. "I would compare it to a real ale-type beer rather than a lager."

His Belgian colleague Michael Goblet concurred: "It is a very interesting beer because it is very different from all other types of beer you can find on the market in Israel. It is a little sour, it is darker than normal beer."

In better times, the beer's appeal seems to wash easily across otherwise insurmountable borders. Jewish settlers on the West Bank generally avoid Arab villages and consume only kosher products. Yet a few American settlers have found their way to the as-yet unkosher Taybeh Beer factory. "One told me I was the Sam Adams of the Middle

East," Mr. Khoury said.

At Gizmo, a popular brunch and jazz hangout for Israelis in Jerusalem, the owner, Zion Levy, has considered promoting Taybeh. "I could see having it sold

half price one Friday, lots of signs, umbrellas saying 'Palestinian Beer, Palestinian Beer,'" he said, then caught himself, remembering the suicide bombings. "Actually after all these

explosions it would be a problem," Mr. Levy added. "If you said, 'Palestine Beer, Palestine Beer,' it would not give people a positive feeling. We need to wait a little while for things to calm down."

THE MONEY REPORT every Saturday in the FT

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Singapore	8001202501	Hong Kong	8007209
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**Wednesday's 4 p.m.**  
The 1,000 most-traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press*

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**Wednesday's 4 p.m. Close**  
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25 آذار 1996

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## THE ASIAN ENGINE

### TRADE IS FLOURISHING, IF NOT WHOLLY FREE

Asian nations are expanding economic ties with each other, as well as with numerous countries on other continents.

Asia accounts for about 15 percent of world trade today, a relatively modest figure when compared with the shares of Europe and North America. But the region's most robust economies — China, Taiwan, Hong Kong, South Korea, Malaysia, Singapore and Thailand — are among the world's fastest-growing trading nations.

China was not even in the global top 20 a decade ago, but the mainland is now the world's 11th largest exporter, with \$121 billion in sales in 1994 (a 32 percent increase over the previous year). Tiny Singapore — with roughly the same area and population as the city of Chicago — is now the world's 12th-largest exporter, with more than \$96 billion in sales in 1994. In recent years, Malaysia (19th) and Thailand (20th) have also moved into the ranks of the world's top exporters.

But Asia's astonishing trade gains are certainly not a one-way proposition. Despite the United States' well-publicized trade deficits with Japan and China, a number of Asian nations are also among the world's top importers. In fact, Asian imports surged 18.8 percent last year — slightly more than the corresponding rise in exports.

Malaysia, Singapore and South Korea all chalked up 20 percent growth in import sales during 1994. Japanese imports rose 13.5 percent during the same period. Chinese imports climbed by 11.3 percent.

According to figures recently released by the Paris-based Organization for Economic Cooperation and Development (OECD), a number of East Asian economies are expected to run trade deficits

this year, including Hong Kong (\$11 billion), South Korea (\$4.8 billion) and Thailand (\$4 billion).

Although these figures still pale in comparison with America's record \$117 billion trade deficit with Asia in 1994 and the European Union's \$44 billion during the same period, there is not much doubt that Asia's "little dragon" economies have become eager importers in recent years. Thanks to vast infrastructure needs and a growing middle class with a thirst for Western goods, East Asian nations are ringing up record purchases in nearly every category.

#### American foundation

As the world's largest and most sophisticated service industry exporter, the United States has made significant inroads in Asia. In 1994, Asian customers purchased more than \$25 billion worth of American business, professional and technical services, a 33 percent increase in just three years.

According to the U.S. Department of Commerce, four Asian nations accounted for nearly two-thirds of American service exports last year: Japan (\$29.7 billion), South Korea (\$4.5 billion), Taiwan (\$4.2 billion) and Australia (\$3.7 billion). The United States accumulated a \$16 billion surplus with Japan on service goods, its largest trade surplus with any country.

Although the foundation of Asia's trade booms lies to sales to North America, the actual "house" is being constructed around a frame of intra-regional trade. Asians are selling more to other Asians than ever before. Japanese brands have become household names throughout the continent, and cheap Chinese-made

dry goods now dominate street markets in Jakarta, Hanoi and Singapore.

The most dynamic changes are taking place in Southeast Asia, where intra-regional trade increased a whopping 43 percent between 1993 and 1994, breaking the \$100 billion mark for the first time. As the region moves toward the final implementation of a tariff reduction agreement called the ASEAN Free Trade Area (AFTA) in 2003, intra-regional trade is expected to accelerate at an even greater rate.

The success of Southeast Asia's economic cooperation and free trade initiatives — as well as the example set by the North American Free Trade Agreement and the European Union — is prompting other Asian nations to forge closer business relations. Even "enemies" like Beijing and Taipei, or New Delhi and Islamabad, have temporarily cast aside rivalries for the sake of trade relations.

China's recent saber-rattling in the Taiwan Strait and missile tests off the Taiwan coast affected local stock markets but did not dampen flourishing trade and investment between Beijing and Taipei. Trade ties between South Korea and North Korea have continued to grow despite a recent increase in political tension. And there has been no cooling of Japanese interest in Siberia despite the deadlock between Tokyo and Moscow over the future of the Russian-occupied Kuril Islands.

Last year, the leaders of seven South Asian nations — India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan and the Maldives — met in New Delhi to discuss items of mutual concern. Among their resolutions was a

pledge to implement borderless trade and lower tariff barriers, paving the way for a South Asian Free Trade Zone in the early 21st century.

Still, not everything is rosy on the trade front. Trade deficits with China and Japan remain hot political topics in America, especially during this election year. The dispute between Beijing and Washington over China's participation in the World Trade Organization continues to brew, as does the controversy over Taiwan's future entry into the same organization (opposed by China).

Tariff barriers are another source of conflict. Nearly every country in the Asia-Pacific region is guilty of some sort of trade protectionism, according to two recent reports produced by the Pacific Economic Cooperation Council (PECC). The biggest offender is China, with an average applied tariff of 27 percent. Other

countries that continue to rely heavily on trade barriers include the Philippines (14.3 percent), Thailand (13.1 percent) and Indonesia (11.3 percent). This contrasts sharply with "true" free-trade countries like Hong Kong (no applied tariffs), Singapore (0.4 percent) and the United States (3.4 percent).

Joseph R. Yogerst



World leaders link hands at the opening ceremony of the Asia-Europe Summit earlier this month.

### AMBASSADOR: WTO TO MAKE HISTORY

The inaugural meeting in December will be the first for a new international trading system.

Ambassador William Rossier, the new chairman of the General Council of the World Trade Organization (WTO), is a man ideally suited to his post. He is familiar with international organizations, having actively participated in a great many negotiations with such organizations as the General Agreement on Tariffs and

Trade (GATT), the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the European Free Trade Association (EFTA) and the Economic Commission for Europe (ECE). He was the chairman of EFTA and the ECE, and is currently the chairman of the Trade and

Development Board of UNCTAD. In addition to his position as chairman of the General Council, he is also chairing the Working Party on the accession of the Russian Federation. Mr. Rossier's WTO responsibilities are global. "The Asia-Pacific region," he says, "will be the economic region of the future where we will see the most important develop-

ments in terms of trade developments, regional integration, trade liberalization. Additionally, in the coming decades, we will see this area grow tremendously, not only as a regional center, but with world wide importance." Mr. Rossier points out that since World War II and until very recently,

Continued on page 20

## One of the world's largest trading nations is one of Asia's smallest nations.



Despite its size, Singapore continues to prove its

pro prowess in the economic world. Rapid growth in external trade has turned Singapore into one of the world's largest trading nations. And, Fortune Magazine rated Singapore as the number one city in the world for business.

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### ASIAN TRADE LEADS WORLD

The free-trade area straddling the Pacific accounts for half of all trade.

The World Trade Organization (WTO) has singled out East Asia as the primary engine of world trade expansion at the present time, with a dynamic flow of goods and services that other parts of the globe are hard-pressed to match.

The figures tell the story. In the wake of modest economic recovery in Europe and continued healthy growth in North and South America, global trade grew 9 percent in 1994, more than twice as fast as the previous year. But during the same period, Asian trade grew by an astonishing 15 percent — with China, Taiwan, Hong Kong, Singapore and Thailand contributing the most.

Due to its deregulation policies and huge market share, China now accounts for the most significant proportion of intra-regional activity. Official figures recently released by China's Customs Service show that trade between China and its 26 Asian partners reached \$99.85 billion in 1995, up 27.8 percent from the previous year.

Japan remained China's largest single trading partner, with \$57.4 billion in bilateral business last year. China's trade deficit with Japan plunged to \$540 million, down from \$4 billion just a year earlier. Hong Kong, the United States, Taiwan and South Korea rounded out the list of China's top five trade partners.

Trading between the ASEAN partners is also growing fast. Total intra-ASEAN trade increased 43 percent, to \$111 billion, in 1994, up from \$77 billion a year earlier. Singapore leads the pack of these super-regional traders, accounting for a little over half of the total. Malaysia chipped in about one-quarter and Thailand 14 percent.

This dynamic subregion has caught the eye of the Americans, with the U.S. Commerce Department recently adding ASEAN to its list of the top 10 emerging markets. Others on the list include Brazil, Argentina, Mexico, Turkey, Poland, South Africa, South Korea, China and In-

dia. The U.S. government predicts that within the next five years, ASEAN will be second only to Mexico as the biggest market for American goods among newly emerging industrialized countries.

#### Asia-Europe Summit

Asia has also become increasingly important to the European Union over the last five years. In 1980, Asia accounted for 10 percent of total EU exports to non-Union countries. By 1994, the figure had jumped to 23 percent. The EU now conducts about a quarter of all external trade with Asia (worth \$312 billion in 1994), compared with 17.4 percent with the U.S.

This growing reliance was put to the test at the recent Asia-Europe Summit in Bangkok. No formal new regional free trade zone or treaty was affected, but the meeting did seem to pave the way for closer cooperation in trade, investment and technology, as well as education and culture. And agreement was reached for future high-level meetings between the 15 European nations and 10 East Asian countries in attendance to broaden trade and diplomatic relationships.

Sir Leon Brittan, the senior European Union trade negotiator, claimed the summit was not trying to copy APEC but did share similar goals of moving "in the direction of liberalization of the world economy" within the multilateral context of the WTO, as well as bilaterally.

Despite the cordial atmosphere and friendly rhetoric, some Asian officials are still skeptical of Europe's real commitment to nondiscriminatory trade (and more Asian imports). Citing "lack of concrete action," Japanese officials were especially disappointed in the summit.

Responding to this concern, European Commission President Jacques Santer pointed out that nearly 40 percent of manufactured imports would be duty-free in coming years, while tariffs on other products would fall in the next 10 years.

Julia Clerk

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Sir Leon Brittan, Vice President, The Commission of  
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## TRADING NATIONS: THE ASIAN ENGINE

MEKONG  
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BRIDGES

Economic cooperation is replacing political animosity.

After nearly four decades in mothballs because of persistent warfare and political bickering, the countries of the Greater Mekong Subregion (GMS) are finally speaking to one another again. Their energy is concentrated on forging economic cooperation in an effort to turn the Mekong Basin, with its 2.3 million square kilometers (888,030 square miles) and more than 225 million people, into a vibrant hub of cross-border trade and industry, a Southeast Asian version of the European Union.

The six countries that border the 4,350 kilometer (2,703 mile) Mekong River — China, Vietnam, Thailand, Cambodia, Laos and Burma (Myanmar) — took their first step toward joint action in 1992 with the formation of an economic forum under the auspices of the Asian Development Bank (ADB).

The second big step came in April 1995, when foreign ministers of the four main Mekong nations — Vietnam, Thailand, Cambodia and Laos — met at Chiang Rai in northern Thailand. The high-level rendezvous resulted in the signing of a cooperation agreement for the sustainable development of the Mekong Basin. The meeting also marked the formal re-entry of Cambodia into the Mekong River Commission (MRC) after a 20-year hiatus caused by the advent of Khmer Rouge leadership in Phnom Penh.

Over the past year, diplomats have taken a back seat to development experts hammering out the brass tacks of regional cooperation.

The Mekong Forum's primary aim is the integration of infrastructure priorities and intra-regional trade among the six member states.



Mysterious and beautiful shapes surround Pak Ou, over the Mekong River.

With the ADB's help, the forum has singled out close to 80 projects for "priority cooperation" in six areas: transport, energy, environment, trade and investment, human resource development and tourism.

The Manila-based ADB has so far provided more than \$280 million in loans and extended another \$7.6 million in technical assistance to jump-start the Mekong project. The bank has plans to disburse an additional \$250 million in loans during 1996-98. The ADB stresses that private sector investment is also needed, since the capital required for some of the larger infrastructure projects far exceeds the capacity of the present resources of the six governments and the bank itself.

Foreign aid donors and agencies have pledged nearly \$200 million to support 94 projects and activities that the Mekong River Commission wants to activate this year, including navigation, hydroelectric and agricultural projects. Among the bodies that have agreed to help development along the Mekong are the governments of Denmark, Sweden, South Korea, Japan and the Netherlands, as well as the World Bank and the United Nations Development Program (UNDP).

Like many experts in the region, Noritada Morita, ADB programs director, is bullish on the Mekong's economic potential.

"The combined population of the six members is 225 million and expected to rise to 300 million by the year 2020," he told a gathering of potential investors last October in Hong Kong. "By that time, the per capita income of the region is ex-

pected to triple its 1995 level of \$733." At the same engagement, Leuane Sombounkhan, vice chairman of the Committee for Planning and Cooperation in Laos, spoke of the "abundant natural resources" in the Mekong Basin, including "minerals, water, forest, fertile land and unexploited energy resources."

## Foreign aid results

Despite the need for more public and private investment, some projects are already off the ground. Australian foreign aid helped construct the very first bridge across the Mekong, a span between Thailand and Laos that opened 18 months ago. The bridge has already contributed significantly to tourism and trade in the border area.

The Australian and Vietnamese governments recently agreed on a \$60 million joint venture project to build Vietnam's first bridge across the Mekong River. Billed as Vietnam's highest infrastructure priority, the bridge will be built at My Thuan in southern Vietnam, with completion scheduled for the end of the decade.

Still, problems remain that could inhibit long-term cooperation, including unresolved territorial claims, water-use disputes, freedom of navigation debates and disagreement over which infrastructure projects should take priority. One of the biggest controversies is a Chinese proposal to construct 15 major hydroelectric dams on the upper reaches of the Mekong, a project that could severely affect downstream irrigation and navigation.

J.C.

APEC TO FORMULATE ACTION PLANS  
AT ITS MEETING IN THE PHILIPPINES

The goal is free trade, beginning regionally. Leaders will decide which measures to adopt.

An interview with Ambassador Armando O. Madamba, executive director of the Asia-Pacific Cooperation (APEC) forum. Mr. Madamba, formerly deputy chief of staff of the Philippines' armed forces, took over APEC's top executive post in November after serving a year as its deputy executive director in the Singapore Secretariat.

The efforts to liberalize trade and investment rules get most of the attention, but there is more to APEC than that. What's happening on other fronts?

I can agree with you that the trade liberalization component is getting all the headlines. But when you look at APEC, it has two other pillars: facilitation of trade and investment, and the area of economic cooperation. Actually there is a balance among these three components. For example, what's happening in the facilitation of trade and investment is that we are looking at issues like procedures and the cost of compliance. In other areas, there is a lot happening. For example, in Manila we have established a center to promote small- and medium-scale enterprises. So development of businesses is receiving as much attention as liberalization of trade.

If you look at what is being done by APEC, you will easily see that the APEC economies are also seeking understanding on regional energy issues. In addition, they are looking at the impact of economic

growth on the environment. There is also the need to look at issues like energy standards. There is a lot going on in fields other than trade liberalization — although this is what grabs the headlines.

What's on the agenda for the next APEC annual meeting in Subic Bay in the Philippines in November?

According to the road map agreed upon at the last meeting in Osaka, what's expected in 1996 is a fresh series of Action Plans. The Philippines is taking charge of this development process. What might be the centerpiece of the meeting in Subic in November is the consolidation of all these individual and collective Action Plans. Secondly, the leaders will focus on the matters submitted to them by the ministers who met earlier in the year. For example, in January there was a ministerial meeting on human resources. In March, the finance ministers of APEC met in Kyoto. There are several other ministerial-level meetings scheduled. Their reports are submitted, and the leaders decide what measures to adopt.

The chosen path to free trade is "concerned unilateralism." Could you put that concept in simpler words for us?

In APEC we operate on this premise: We seek ways to promote free and open trade and investment based on cooperation. This is all done under the direction of the leaders. There is progress in APEC precisely because of the voluntary measures that

are offered by the leaders on behalf of the member economies. There is nothing here that suggests legally binding obligations. It's about consensus — progress comes through unilateral action. This is why the Action Plans are put together and become the collective direction of the members.

People also get confused over the concept of "open regionalism" that APEC has espoused. Is there a simple way of defining that?

Some people say that "open regionalism" is a contradiction in terms or an oxymoron. Open regionalism is indeed open to differing interpretations. But, insofar as what we generally see from the APEC perspective, we are working on this regional approach and yet we are open to the world — meaning, for example, as it is stated in the Osaka Action Agenda, that the efforts of the members on trade liberalization will be consistent with World Trade Organization (WTO) principles. Therefore, there is a global interpretation of what we do. There will, of course, be respect for certain principles like non-discrimination. The liberalization of trade and investment is not only for APEC economies; ultimately it will be expressed in a working relationship with non-APEC economies. It is not exclusionary. It is open rather than just regional.

Some say that the best way for Asia-Pacific nations to meet their free-trade goals is through the WTO. What is the relationship between APEC and the WTO?

The Osaka Action Agenda essentially recognized the WTO principles and [arbitration] mechanism, and stressed that one of its own principles is that we will be WTO-consistent. So the leaders in Osaka made that very clear. With respect to the WTO, which will be meeting in Singapore later this year, the APEC economies will look into liberalization in terms of what would be consistent with the WTO approach. In effect, it reinforces the principle that APEC is outward-looking rather than inward-looking. APEC wants to be consistent with the rules the WTO would like to set out. We'll see that in December in Singapore when the WTO meets.

Are the 18 APEC members supposed to go beyond their General Agreement on Tariffs and Trade (GATT) Uruguay Round commitments? Is APEC a way of achieving free trade for members faster than through the multilateral process?

There are very clear efforts to try to go beyond the Uruguay Round commitments. One of the ways of achieving free trade is starting the process regionally and then expanding globally. That's where we are now. It is very difficult to speculate on whether achieving free trade could be faster within APEC or through the WTO. Let's wait and see and let history answer that question.

Interview by Sid Asbury

Can you put up a power transmission system without annoying your neighbors?

Economic development and environmental conservation are often seen as natural enemies. But by taking environmental considerations seriously early on in a project, ABB keeps any impact to a minimum. For

example in southern Africa, ABB was asked to erect 410 kilometers of transmission lines without disturbing an indigenous colony of Cape vultures. The project was executed with minimum disturbance during the breeding season between April and September. It is somewhat surprising therefore that this neighborly respect did not slow down the project.

In fact planning ahead combined with local knowledge and advanced technology meant the Zimbabwean section of the Matimba Bulawayo interconnection was completed ahead of schedule.

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## TRADING NATIONS: THE ASIAN ENGINE

## A FINANCIAL DEBATE

The question centers on the role of foreign banks.

Bankers in Malaysia have a lot to smile about. The 36 commercial banks, 16 of them foreign, lifted pretax profits by more than a quarter in 1995. An eighth year of strong economic growth means that 1996 is also likely to continue as a happy time.

But Malaysian bankers, along with others in emerging Asia, worry about how they will cope when foreign banks gain greater access to their booming local markets.

Last July, around 40 members of the World Trade Organization (WTO) committed themselves to liberalizing their financial sectors. They did so through the General Agreement on Trade in Services (GATS), an initiative under the General Agreement on Tariffs and Trade (GATT). The WTO has not taken on the work of GATT.

The signatories to GATS have made a binding commitment to allow more foreign participation, particularly in offshore banking, offshore and general reinsurance, and the charge card business. But there are still a lot of arguments over the pace of liberalization, with countries like the United States urging speed and nations like Malaysia pleading for time.

Mahathir bin Mohamad, Malaysia's prime minister, has made this contribution to the debate: "If we open our financial markets to countries such as the United States, our own banks would be quite unable to compete - they may be swallowed up."

But even within developing Asia, there is another side to the debate. Ramasamy Thillainathan, finance director of Genting - a Malaysian conglomerate with interests ranging from casinos to palm oil plantations - thinks that Malaysia and other governments in the region may be doing their bankers a disservice.

"The overprotection and overregulation of the financial sector and the curbing of the derivatives business have had the unintended effect of making the financial institutions more reliant on muscle power than on brain power, and to operate in the backwaters rather than at or near the frontiers of global finance," he says. Mr. Thillainathan, along with many other analysts, would welcome more urgency in liberalizing the financial services sector.

This is not to say that all governments in Asia have built high walls against the encroachments of foreigners. In Malaysia, for ex-



Bank service in Jakarta. Is it time to let more foreigners into the Asian market?

ample, the 16 foreign banks control around 30 percent of the trade financing business, about 25 percent of total assets of the commercial banks and some 27 percent of the credit arranged by the commercial banks.

#### Overpopulation

In other countries, though, foreign bankers do have a lot to beef about. In Indonesia, for example, they are up against state banks that control around half the trade financing business and have most of the total assets of the commercial banks.

Jakarta has almost too many banks to count. It's the same in many Asian cities. Governments have given out lots of licenses and are left with an overpopulated banking sector.

At least, that's the view of Ching Yew Chye, Andersen Consulting's ASEAN (Association of South East Asian Nations) partner for the financial services industry. He says that only financial institutions that have fast growth paths will survive. The rest, says Mr. Ching, will end up merging with others since banking licenses are not as attractive as before.

Some Asian governments would welcome a shakeout. The Malaysian authorities, in fact, are not just openly in favor of a splurge of mergers and acquisitions but have introduced measures to try to bring one about. It's just one of the ways Malaysia is tuning up its banks to face the foreigners that one day will compete with them on equal terms. S.A.

## TRADE AT WHAT PACE?

Too much of a good thing may spell the need to slow growth.

Some of Asia's fastest-growing economies are in a bit of a balance-of-payments bind at the moment. They are taking in too many imports and paying out too much in bills for services rendered by foreign firms. The result: current account deficits.

Mexico is an object lesson of what can happen when a government panics and resorts to quick fixes for a troubled economy. Mexico, worried about a ballooning deficit on the current account of its balance of payments, devalued and in doing so destroyed international confidence. The result: catastrophe.

Deficits in Malaysia, Thailand and Indonesia are an understandable cause of concern. To finance them, governments are having to draw down foreign reserves or rely on the inflow of foreign cash to pay for factories or purchases of stocks or bonds. "Asia is over-expanding

relative to its ability to create export earnings," says Adam Le Mesurier, director of Asian economics at investment bank SBC Warburg. He worries that short-term inflows of cash could suddenly dry up and make the deficits unsustainable.

A quick way to get back to surplus would be to stamp on the brake and bring to a clattering halt the high growth that has astonished the world year after year. But that would scare both local and foreign investors, roil the currency markets and possibly send the economy into a very nasty spin.

What is more likely is an easing off on the throttle to cut the pace of economic growth. Governments will make it more expensive to borrow money, limit the amount that citizens can spend with their credit cards and try to limit imports and boost exports. The juggernaut will be brought down to a safer cruising speed.

Anwar Ibrahim, Malaysia's finance minister and deputy finance minister, says, "We are definitely not where Mexico was. The size of our deficit is definitely substantial, but you need to look at what we have already done to lessen it through cutting down imports, reinsurance and insurance."

Bringing services home Rather than abandoning a commitment to free trade, the governments in this region are trying to solve the problem of deficits at the source. They are attempting to lessen their huge reliance on foreign firms for services. They console themselves with the

knowledge that Japan's services sector was once in a shambles and that Asia's mightiest manufacturer was once plagued with current account deficits.

Consider the case of Malaysia, where the problem is in trade in services rather than in merchandise. On the services side, about one-third of the shortfall represents the money Malaysians pay foreigners for freight and insurance. Another 45 percent represents the profits that foreign investors send back home.

Malaysia is not going to oblige local companies to use local shippers and insurance companies. That would run counter to the country's free-trade stance and would risk censure from the WTO and other international bodies. But the government can be expected to beef up its fleet and financial services sector and to try to persuade local companies to buy Malaysian whenever they can.

Malaysia, Thailand and Indonesia have been encouraged to see their deficits as a local difficulty. They are not structural. To get rid of them, the services sector needs to be boosted.

Here, Hong Kong and Singapore are the role models. Hong Kong, which nowadays does hardly any manufacturing of its own, lives from its sophisticated and super-efficient services industries. Singapore, while keen to retain the contribution of manufacturing to GDP at 25 percent, also has a highly developed services sector. S.A.

## AMBASSADOR SAYS WTO IS READY TO MAKE HISTORY

Continued from page 17

growth in international trade has occurred between Europe, North America and Japan. "Now, with the growth of the Pacific region, we are seeing a new center of dynamics for trade, and the progress in this area will not necessarily follow the same patterns as we have seen before among European nations, Europe's Eastern countries or even NAFTA [the North American Free Trade Association]."

"In the Asia-Pacific region, we might see something quite different. The region extends from Canada to Chile, from Japan to Australia to Indonesia. They are all in the same circle, but they are not a group of nations geographically close to each other or of the same level of economic development. The region also covers countries with different traditions and cultural heritages."

Thus, the process of growth and liberalization will

probably progress in different ways, with different methods, with different timing. "This will be a long-term exercise," Mr. Rossier adds.

#### Getting the first one right

The WTO's first ministerial meeting in Singapore next December is symbolic of Asian progress. The agenda has not yet been fully defined, though the World Trade Congress convened by the International Herald Tribune April 24-26 in Singapore should help set that agenda.

"We plan to have biannual ministerial meetings. To do this successfully, we must get the first one right. It will be a precedent for future meetings."

Mr. Rossier points out that "the WTO is really only a network between states. But it is the most cohesive worldwide system we have today. The first meeting in December will be of historic importance. It will give us an opportunity to evaluate problems that, before, were

treated in a sporadic manner. Ministers are committed to meeting every two years and that, in itself, is an improvement over GATT. The Singapore meeting will be the first of a series. Our aims must be ambitious, but also realistic."

Asked what is likely to be on the docket next December, he says, "We still have much unfinished business. For instance, telecommunications, maritime transport, financial services, agriculture, cooperation with the Bretton Wood institutions, the environment. When you realize that there will be 120 countries attending and that we have only five days for discussion, you can understand that very careful management will be required."

"A new trading system will affect the entire world. We must make it work. And it will, if we keep in step with developments in the individual nations. We cannot go too fast, but we must work speedily, cooperatively and, most importantly, effectively." Barry Edgar

## SMOOTH AS SILK IS HAVING A BUSY SCHEDULE IN ASIA TO MEET YOURS.



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in Asia it makes good  
business sense to fly Thai.  
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# S. Weighs Light Penalty for Chinese Nuclear Sale

WASHINGTON — U.S. officials are weighing a light penalty for the sale of nuclear technology to China, a move that could help the United States to improve its relations with the Chinese government.

The move comes as the United States seeks to improve its relations with China, a move that could help the United States to improve its relations with the Chinese government.

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## North Holding On

WASHINGTON — North Korea is holding on to its position as a nuclear power, despite the fact that it has not yet tested a nuclear weapon.

The move comes as the United States seeks to improve its relations with China, a move that could help the United States to improve its relations with the Chinese government.

## DOCKERS

WASHINGTON — Dockers are holding on to their position as a nuclear power, despite the fact that they have not yet tested a nuclear weapon.

The move comes as the United States seeks to improve its relations with China, a move that could help the United States to improve its relations with the Chinese government.

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### WORLD ROUNDUP



ON ICE — Canada's skip Marilyn Bodogh, top, watches Denmark's Dorothe Holm draw at the World Curling Championships in Hamilton, Ontario. Bodogh won 12-6.

### Judge KO's Botha

**BOXING** A New Jersey judge Wednesday threw out the International Boxing Federation's decision to allow Frans Botha of South Africa to keep his heavyweight title after testing positive for steroids. Judge Dickinson Debevoise, acting in response to a suit filed by the German heavyweight Axel Schulz, ruled that the New Jersey-based IBF should not have allowed Botha to keep the title. Debevoise ruled that Schulz, and not Botha, will fight the former champion Michael Moorer next for the IBF title. (APF)

### West Indies Wins, Just

**CRICKET** West Indies beat New Zealand with four balls to spare in their first one-day international Tuesday in Kingston, Jamaica. New Zealand made 243 and then reduced the West Indies to 197 for eight. But Roger Harper (27 not out) and Curly Ambrose (17 hit out to clinch victory at 244 for nine. (Reuters)

### 'Bam' Indicted in Texas

**FOOTBALL** Byron "Bam" Morris, the Pittsburgh running back, was indicted in Texas on cocaine and marijuana possession charges. Morris, 24, was arrested after police found 6 pounds (2.7 kilograms) of marijuana and 1.5 grams of cocaine in his car. (Reuters)

**BASKETBALL** Willie Anderson, the New York Knicks guard, was arrested and accused of failing to pay child support when he arrived at the Summit for a game against the Houston Rockets. Anderson was held in a Houston jail in lieu of \$130,000 bail. A contempt warrant charges nonpayment of child support to a Houston-area woman. (WFP)

### Sampras Hits Best Form

**TENNIS** Pete Sampras, Andre Agassi, Michael Chang and Jim Courier reached the Lipton Championships quarterfinals Tuesday. Sampras played brilliantly to beat Todd Martin, 6-3, 6-4. Agassi defeated Sebastian Larreau of Canada, 6-4, 6-4. Courier struggled past Michael Tebbutt of Australia, 3-6, 6-4, 7-5. And Michael Chang barely edged Petr Korda of the Czech Republic, 6-3, 3-6, 6-3. (Reuters)

### Happy Reunions

**BASKETBALL** Ed Pincney of the Philadelphia 76ers, a well-traveled NBA veteran, was asked in Toronto what it was like going against his former team. The reply: "The one I'm facing tomorrow, Wednesday or Friday?"

## Cigar Uses Extra Horsepower to Win in Dubai

**DUBAI** — Cigar won the world's richest race, the \$4 million Dubai World Cup on Wednesday, by half a length to assert his authority as the champion of champions.

The American horse out-fought Soul of the Matter before a crowd of 20,000 at Dubai's deeply sandy Nad al Sheba track.

L'Carriere, runner-up to Cigar in the U.S. Breeders' Cup, was third, making it a one-two-three for the three American horses in the 11-strong field.

The 6-year-old colt did not have the one-and-a-quarter-mile (2-kilometer) race all his own way. He was running at midfield early on with Soul of the Matter the back marker and the British hope, Pentire, tucked in behind him.

Cigar easily put away L'Carriere turning for home, then held off Soul of the Matter, who came flying up on the outside.

Soul of the Matter never quite drew level and Cigar responded quickly to the urging of his jockey, Jerry Bailey.

The victory was the second this year for Cigar, the 1995 U.S. Horse of the Year — two behind this century's U.S. record of 16 shared by Citation and Ribot. With the victory, Cigar earned \$2.4 million and became the richest

racehorse in North America with career earnings of \$7.7 million, surpassing Alysheba's total of \$6.7 million. It was the 6-year-old's first triumph outside the United States and the first time he raced at night.

He showed the courage that it takes to be a true champion, Cigar's trainer, Bill Mott, said.

Completing the order of finish after L'Carriere were Pentire, Tanayaz, Lively Mount, Needle Gun, Tormentia, Larocha, Danewin and Halling.

The bad start put Cigar about sixth or seventh in the pack as the field broke out of the gate. L'Carriere, runner-up to Cigar in last year's Breeders' Cup Classic, went to the lead immediately.

As the pack went into the backstretch, Cigar moved into position, laying about fourth. L'Carriere, ridden by Jorge Chavez, was on the rail when Cigar made his move to the outside.

As the other early leaders faded and the field moved into the final turn, Cigar gained a full length on L'Carriere and began widening the margin until Soul of the Matter, owned by the songwriter Burt Bacharach, came flying along.

Cigar's head turned to his right, as if to eyeball Soul of the Matter, and he moved into a slightly higher gear, holding off Soul of the Matter at the wire.

"My horse showed so much courage. I don't think I've ever been as proud of a horse in defeat," Soul of the Matter's jockey, Gary Stevens, said. "I was truly surprised that Cigar found another gear in the last eighth of the track."

(Reuters, AP)



Jockey Jerry Bailey crossing finish line aboard Cigar ahead of Soul of the Matter in the \$4 million Dubai World Cup.

## Not Really So Green on the Greens

By Leonard Shapiro  
Washington Post Staff Writer

**PONTE VEDRA BEACH, Florida** — David Duval still remembers his first tournament on the Nike Tour. He ended the four-day tournament at 14-under-par and finished only ninth, eight strokes behind the winner. Two weeks later, he shot 17 under, lost by five and wondered how low he would have to go to win an event.

Still, he said, so many high-pressure, low-scoring experiences in two seasons on the PGA Tour's satellite circuit were invaluable to him. Last year he earned \$881,438 as a rookie on the regular tour, finishing 11th on the money list, with 15 top 10 finishes and 21 in the top 25.

So it was no surprise to Duval or many other players here this week for The Players Championship that the past three events on the '96 Tour have been captured by first-time winners. The first was the Honda champion Tim Herron, a rookie who won in his eighth tour event. He led from beginning to end and prevailed by four strokes, shooting 69 in the final, and very rainy, round.

The week after, Paul Goydos, whose best previous finish was seventh in the 1994 B.C. Open, won at Arnold Palmer's invitation at Bay Hill against a tough field on a difficult course. On Sunday in New Orleans, Scott McCarron, who kept his playing card by only \$2,700 in his rookie season of '95, won in the final round. His 5-shot victory over the runner-up, Tom Watson, was the year's largest.

"I'm not at all surprised," Duval said. "A lot of it has to do with the competitive nature of the Nike Tour. The numbers you have to post to contend week in and week out are as good as this tour. The Nike courses aren't as hard. But it's still the

same. You've got to shoot 20-under, and that means you still have to make a lot of pressure putts to win."

The trend probably will end this week on a treacherous TPC course. None of the previous 22 winners of this event made the TPC their first tour victory, the past 14 years played at the TPC at Sawgrass. There are 38 U.S. tour nonwinners in this 146-man field.

"It's kind of amazing in three weeks in a row a guy has done it," said Lee Janzen, the defending TPC champion. "I think part of it is like when Roger Barnister, broke the 4-minute mile for the first time and 300 people did it the next year. People see somebody else doing it from their same position, they suddenly open their eyes and see that they can do it, too."

McCarron did not play Honda or Bay Hill but watched Herron and Goydos win on TV. "I saw them play well under pressure," he said. "I saw them win. That added to my self-confidence. Hey, if those guys can win, I can, too."

Goydos said he admired Herron's play at Bay Hill, particularly his self-control down the stretch. He saw the same thing last week watching McCarron. "They both did what they had to do — play the shot at hand and don't worry about Tom Watson or Greg Norman behind you."

Goydos, who once was a substitute teacher in California, said he hasn't given much thought to the latest trend on the PGA Tour. The last three events of the '95 tour were won by first-time champions.

Herron, Goydos and McCarron all have noticed huge changes in their lives; more interest from sponsors, fans and media, and an invitation to The Masters. "Now people can actually pronounce my name," said Goydos. "It used to be Goo-do, Ga-do. Now, it's Goydos."

## Lemieux's 5 Goals Give St. Louis the Blues

**The Associated Press**  
Mario Lemieux is completely focused on hockey again, and that's bad news for the rest of the National Hockey League.

Super Mario hadn't been so super lately, largely because he was worried about his wife's difficult pregnancy. But two days after she gave birth pre-

### NHL ROUNDOUP

maturely to their third child, Lemieux played as if a great weight had been lifted from his shoulders.

Facing Wayne Gretzky for the first time in more than three years, Lemieux had five goals and two assists to lead Pittsburgh over visiting St. Louis, 8-4, Tuesday night.

"Tonight he felt relaxed and it showed in his play," said the Penguins' coach, Eddie Johnston. "It was the Mario Lemieux show."

Lemieux's first son was born three months early, weighed less than 3 pounds (1.3 kilograms) and is currently on a respirator. But the player said the baby and his mother are doing well.

"It's been very difficult," he said. "By the way I was playing, I think

everyone knew something was up. My wife is doing great, the baby is doing great, so I can go back and think about hockey and do my job."

While Lemieux was getting his sixth hat trick of the season and 37th of his career, Gretzky was limited to one assist for the struggling Blues, who are 5-6-2 since he was acquired from Los Angeles on Feb. 27.

"As he's gotten on in years, he seems to get better," Gretzky said of Lemieux. "Everyone should hope he stays healthy because he's so good for the league."

Lemieux, who scored five goals twice before in his career, leads the league in goals (63) and points (146).

"Tonight was very special," he said. "I was ready to play early. I felt very good and everything went in for me."

St. Louis' coach, Mike Keenan, broke up the combination of Gretzky and Brett Hull during the game, saying it wasn't working.

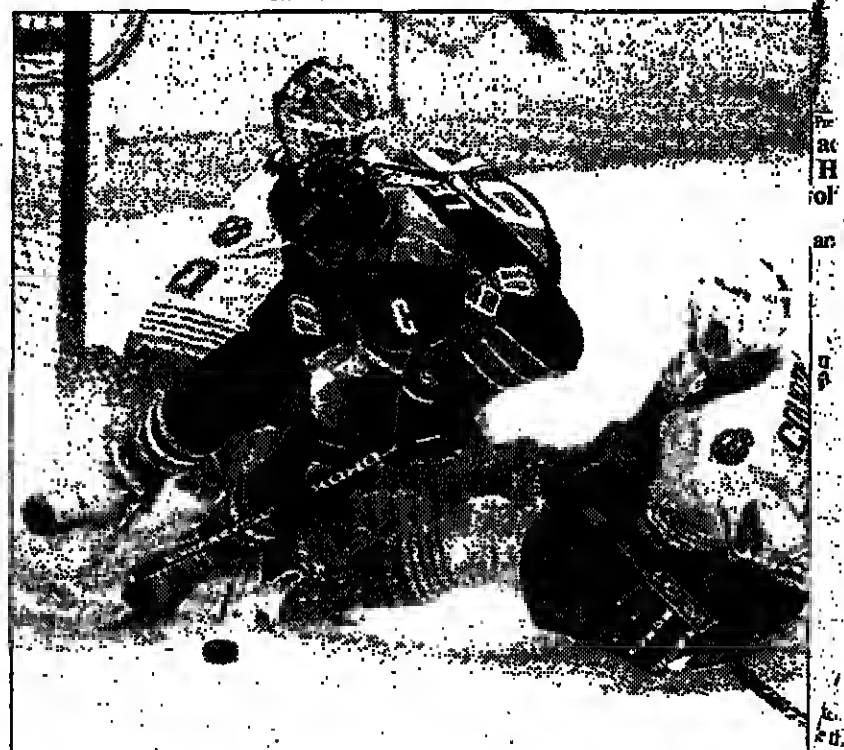
"Brett's a bit confused," Keenan said. "We'll try him with Zavel for a while," referring to Peter Zedler.

Capitals 7, Islanders 1 in Utica. Peter Bondra scored three straight goals

late in the third period as Washington broke open a close game and improved its playoff position. Jim Carey stopped 25 shots for the Capitals, who trail sixth-place New Jersey by one point in the Eastern Conference. Zigmund Palffy scored the only goal for the Islanders, who have lost seven straight.

Devils 6, Lightning 4. Stephane Richer scored three times and rookie Steve Sullivan got the go-ahead goal with 5:15 remaining. Sullivan took a feed from Randy McKay and beat goaltender Darren Puppa on a breakaway to put the visiting Devils ahead, 5-4. Richer added an empty-net goal for the Devils. Brian Bradley scored twice for Tampa Bay, which had its eighth-game home unbeaten streak snapped.

Jets 3, Stars 2 in Dallas. Keith Tkachuk had the first four-goal game of his career and Winnipeg took over sole possession of the eighth and final Western Conference playoff spot. Tkachuk scored his first goal 26 seconds into the game and added three goals in the third period, including two during a 16-second burst. Igor Koryolov scored twice for Winnipeg, during a 12-second span in the second period.



Geoff Courtnall, right, and goalie Jon Casey trying to stop Mario Lemieux.

## SCOREBOARD

### BASKETBALL

#### NBA STANDINGS

##### EASTERN CONFERENCE

##### ATLANTIC DIVISION

	W	L	Pct	GB
Orlando	52	18	.743	—
New York	46	27	.625	10 1/2
Atlanta	35	38	.479	21 1/2
Washington	32	41	.438	24 1/2
New Jersey	28	41	.406	28 1/2
Boston	25	43	.365	31 1/2
Philadelphia	13	56	.188	43 1/2

##### CENTRAL DIVISION

	W	L	Pct	GB
Chicago	40	8	.832	—
Indiana	32	27	.541	10 1/2
Atlanta	29	29	.500	13 1/2
Cleveland	29	30	.491	14 1/2
Detroit	28	31	.475	15 1/2
Charlotte	25	35	.417	19 1/2
Memphis	21	47	.309	25 1/2
Toronto	18	50	.262	28 1/2

##### WESTERN CONFERENCE

##### NORTHWEST DIVISION

	W	L	Pct	GB
San Antonio	50	18	.735	—
Utah	46	20	.697	4 1/2
Houston	42	27	.609	8 1/2
Denver	38	41	.480	22 1/2
Minnesota	23	45	.338	37 1/2
Dallas	21	49	.297	41 1/2
Vancouver	11	54	.168	51 1/2

##### PACIFIC DIVISION

	W	L	Pct	GB
Seattle	44	17	.762	—
L.A. Lakers	42	25	.621	1 1/2
Phoenix	35	34	.507	8 1/2
Portland	33	35	.485	10 1/2
Golden State	31	39	.442	12 1/2
Sacramento	30	38	.441	13 1/2
L.A. Clippers	26	43	.377	18 1/2

##### TUESDAY'S RESULTS

Atlanta	29	29	25-114
Toronto	31	31	22-111
A: Los Angeles 84-69	22	Seattle 61-54	23

#### MAJOR COLLEGE SCORES

##### FOOTBALL

Boyleston 18-20-2-26	7: Murray 12-19-2-23
Miller 9-11-2-26	Shawnee 12-25-1-21
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## SPORTS

# The Grouch Versus the Whiner

## If the Bulldogs Win, Don't Expect Quotes

## Basketball is Business For Syracuse's Coach

By Anthony Cotton  
Washington Post Service

**L**EXINGTON, Kentucky — Before he left his hotel room for Rupp Arena and the NCAA men's basketball tournament Southeast regional final Sunday against Cincinnati, Mississippi State's coach, Richard Williams, told his wife, Diana, that he might be "collaborative and invisible — I could go for it all." And although he tried to be gracious after his team's 73-63 victory, Williams indeed couldn't help himself.

"I just want to interject something," he said, interrupting a postgame news conference for Mississippi State's players. "Some of you in the media have said and written that we're irritable, that we're whiny. Well, I'm looking at these hats that someone gave the players for winning the region and they say 'Mississippi,' not 'Mississippi State.' That's why I think we have reason to be irritable sometimes."

Anyone suggesting Williams would mellow just because the Bulldogs have achieved the first Final Four berth in school history can expect a scowl from Williams' perpetual lemon puss. The 50-year-old's quest for respect started long before this year's tournament. It is a struggle that has taken him from his graduation from Mississippi State almost 30 years ago to thankless jobs at junior-high schools and junior colleges.

"He's worked so hard for so long. I don't think anybody can ever know what he's put into it," said Diana Williams. And so, after the nets had been cut following his fifth-seeded team's upset victory Sunday, Williams wasn't clamoring to talk about the Bulldogs' exploits on national television. Instead, he couldn't wait to get back home and talk with "guys you've never heard of."

As for the rest of it — the bright lights and cameras, the NCAA-mandated news conferences, where stuffy members of the media try to trick his players into saying impolitic things about other teams or life in Starkville, Mississippi — well, if someone gave him a choice of doing those things and going to the Final Four or being less successful and not having to do them at all, Williams would think long and hard before giving an answer.

"I understand that's a part of all of this, but if I never had to do it I'd be very happy," he said. "I'm not a glib kind of guy. I'm just a basketball

coach. I don't golf. I don't fish. I don't hunt."

Before the game Sunday, Erick Dampier, the team's center, said: "I think Coach doesn't like the media because they're always picking the other team to win."

"Respect is something that's earned and we think we've done that, but we still don't get any," Dampier said. By many accounts, Mississippi State was a success story long before this tournament began, with some of its players trekking over terrain just as daunting as Williams's. Forward Dontae Jones, the Southeast regional's most outstanding player, for example, was a high-school dropout who was working at a fast-food chicken restaurant in Nashville before his mother convinced him to finish high school and attend college.

"That's what really makes him mad," said Diana Williams. "He doesn't think the players have gotten the credit they deserve."

But even some Mississippi State players say the Bulldogs were underachievers for at least part of this season. After advancing to the 1995 NCAA tournament's round of 16, the Bulldogs started this season ranked in the nation's top 10.

But after an 8-1 start, they faltered in Southeastern Conference play, going 3-4 in their first seven games. A number of factors contributed to the rocky SEC start: the point guard Marcus Ballard played poorly. Also, Williams was trying to convince Jones, who'd averaged 29 points a game for his junior college last season, about the benefits of team basketball.

"It probably would have been easier for us to lay down and quit — to just say, 'We're a losing team' and be done with it," Ballard said. "But there's a lot of leadership on this team and our seniors refused to let us go down like that."

For his part, Williams also adapted, saving his caustic comments for the media — not his players.

"I changed a little bit," he said. "I became less critical, especially at practices." Kentucky's coach, Rick Pitino, said, "What they are doing right now is amazing. People are calling us the favorite, but Mississippi State may be playing the best of any of us."

By David Nakamura  
Washington Post Service

**D**ENVER — The man who can't coach has led his team to another Final Four. The man who is called a whiner has a chance to win some more, while most of his peers are sitting at home. The man who has been described as dull and unhappy has had the hints of a smile curling his lips lately.

If the Syracuse Orangemen win two games in East Rutherford, New Jersey, this weekend and become college basketball's national champions, perhaps the 1996 NCAA men's tournament will be remembered as Coach Jim Boeheim's Revenge.

"I'm a whiner — that's my image," Boeheim said before the postseason began. "I'm away from basketball — a very easygoing guy and have lots of fun. It's just an image, I guess. I'm stuck with it."

As much as Boeheim himself, Syracuse's players have taken up the cause of proving that Boeheim's 482 career victories and .753 winning percentage are not misprints.

"Coach, he wins 20 games every year," the junior guard Jason Cipolla said.

This year his team was ranked 42d in the preseason.

"We weren't even supposed to do anything, we weren't supposed to win 20 games," said Cipolla. "But he took a great bunch of kids and worked us hard every day, and look at where we are now."

This will be Boeheim's second Final Four appearance in his 20 seasons at Syracuse. The other trip came in 1987, when the Orangemen lost to Indiana in the championship game on a last-second shot by Keith Smart.

No matter what happens this weekend in New Jersey, this may go down as Boeheim's best coaching job. The Orangemen lost three starters from last year's team: Lawrence Moten, Lucious Jackson and Michael Lloyd — and yet they are the only team still playing from the Big East Conference, even though they finished with the Big East's fourth-best conference record.

Any team that goes to the Final Four has its defining moments. For the Orangemen, it came before the season. Last offseason, they nearly lost two other players in addition to the three seniors. Forward John Wallace declared himself eli-

gible for the National Basketball Association draft, then changed his mind and returned to Syracuse for his senior season. During the summer, senior point guard Lazarus "Z" Sims contemplated leaving school after his father died.

Wallace and Sims returned to Syracuse, and they have become not just the team's best players, but also its emotional heart.

"Without them, we wouldn't be here right now," Cipolla said. "Z has been through it all at Syracuse. This is his team. He controls us. He tells us what to do on the court, and we respect that. We need a floor leader out there like that. Then you've got the go-to guy, John. He's the best player I've ever played with. He means so much to this team."

Sims — who has 265 assists and joined Sherman Douglas and Pearl Washington as the only players in school history to total more than 200 assists in a season — has at last enjoyed the kind of success fans expected of him when he arrived from Henninger High School in Syracuse.

The Orangemen resemble last season's national champion, UCLA. Wallace, who has averaged 22.1 points and 8.8 rebounds per game and was named a second-team all-American, and Sims are the leaders, as were seniors Tyus Edney and Ed O'Bannon for the Bruins. Like O'Bannon, Wallace is a father and he commands the respect of his teammates as a father figure.

Like the Bruins, the Orangemen have role players who fit certain needs and young impact players. The junior center Chris Hill has become stronger as the season has progressed, and he was named to the West Region all-tournament team. The sophomore forward Todd Burgan has grabbed 36 rebounds in four NCAA tournament games, and Cipolla has emerged as a three-point threat.

For Boeheim, the trip to the Final Four means reporters again will ask him about his dullness and his whining and his image as an underachiever.

"In my 20 years, I've gotten 60 total letters that were like, 'You're not doing a good job,'" Boeheim said. "And 50 were unsigned. This is a media thing. I go out in Syracuse with my daughter. Everyone comes up and says, 'Hey, Coach — great job, we love you.'"

"I read things all the time. He's the most unhappy person in the world. This is a business out there. I'm not supposed to be happy. I'm not supposed to be smiling."



Nebraska's Tyrone Lue, left, racing past Tulane guard Patrick Lewis in NIT semifinal.

# It's Party Time for the Lakers

## After Ending Orlando Streak

By Scott Howard-Cooper  
Los Angeles Times Service

**ORLANDO, Florida** — Very much in need of a party, the Los Angeles Lakers danced in someone else's house Tuesday night, and at a most exclusive residence at that. They spilled drinks. They played their music really loud. They also broke things, namely the Orlando Magic's season-long 33-game home winning streak. It will take a bulldozer to clean up this

## NBA ROUNDOUP

place Wednesday, left in shambles by the Lakers and their 113-91 rout that came with remarkable ease before 17,248 at Orlando Arena.

Actually, the Magic had won 40 in a row here during the regular season dating back to last spring, a National Basketball Association record before the Chicago Bulls just beat it, with this being the first nonplayoff home loss since March 14, 1995. But Orlando had lost four games at Orlando Arena in the postseason.

This season, the Magic needed overtime in three games, all the way to three extra periods against New Jersey in the opening week, and had a couple of one-point contests and two others decided by two points.

Then came Tuesday night. The Lakers, looking nothing like a team trying to overcome internal strife, let the locals keep their hopes up until late in the third quarter, then blew the doors open to make their exits more convenient. The daisies started to fill with about five minutes remaining.

Said Magic Johnson: "It was a great feeling for us. Probably a bigger win because of what had been going on. It lets the teams around the NBA know we're alive and kicking."

In other games, reported by The Associated Press:

**Knicks 83, Rockets 74** John Starks scored 21 points and New York withstood a startling third-quarter comeback by Houston's injury-depleted lineup, including starters Hakeem Olajuwon and Robert Horry, who missed the game because of knee tendinitis.

**Pistons 86, Grizzlies 75** Grant Hill scored 28 points and matched a career-high with 17 rebounds as Detroit sent Vancouver to its 19th straight loss.

**Hawks 114, Raptors 111** In Toronto, Mookie Blaylock scored 26 points and made back-to-back 3-pointers in the fourth quarter as Atlanta completed a season sweep of Toronto.

**Bulls 96, Cavaliers 89** Juwan Howard scored 15 of his 21 points in the second half as Washington overcame an 8-point halftime deficit to end a 10-road losses against Cleveland.

**Sonics 114, Warriors 102** In Oakland, Gary Payton and Detlef Schrempf scored 23 points each and hit all 15 of their foul shots, and Seattle made 30 of 31 free throws to beat Golden State.

**Clippers 102, Bucks 97** In Los Angeles, Milwaukee set a franchise record with its 12th consecutive loss. The Clippers blew an 11-point fourth-quarter lead, but Stanley Roberts converted a 3-point play with 22 seconds left for a 5-point lead.

**Suns 102, Kings 99** In Phoenix, Charles Barkley converted a 3-point play with 31 seconds left and Kevin Johnson made four free throws in the final 20.7 seconds as Phoenix beat Sacramento.

**Hornets 118, Nuggets 112** In Denver, Larry Johnson hit two buckets in the final 40 seconds of the second overtime and Charlotte scored 11 of the game's final 13 points to beat Denver.

**Pacers 108, Celtics 99** Reggie Miller scored 18 points before leaving because of a cut over his right eye and Indiana beat Boston in Indianapolis.

# UMass Applies Pressure

The Associated Press  
**NEW YORK** — There was a lot of pressure on St. Joseph's, and it wasn't just because it was the semifinals of the National Invitation Tournament.

The Hawks were facing favored Alabama at Madison Square Garden Tuesday night, and in the stands the

## NIT ROUNDOUP

the coach and players from top-ranked Massachusetts had come to root on their fellow Atlantic 10 school.

The Hawks didn't let anyone down — themselves, the Minutemen or their wild band of fans — beating the Crimson Tide, 74-69, in overtime to advance to Thursday night's championship game.

Nebraska beat Tulane 90-78 in the other semifinal.

The Hawks (19-12) survived their sixth overtime of the season to advance to the match of two schools looking for their first national basketball title of any kind.

Two of the three overtime losses St. Joseph's has suffered this season were to Massachusetts, which will be playing in the Final Four this weekend just across the Hudson River.

"The UMass program showed a great deal of class by coming to our game tonight," Phil Martelli, St. Joseph's coach, said. "We offered to come and support them at their game Saturday, but John Calipari said he didn't think he could get us the necessary seats."

Will Johnson gave the Hawks the lead for good with a three-point play 38 seconds into overtime, an extra session Alabama (19-12) forced when Eric Washington's three-pointer with seven seconds to play finally wiped out a 17-point halftime deficit.

The Crimson Tide, which shot 26 percent in the first half, had a chance to tie the game again in overtime, but Brian Williams, a freshman, missed a three-pointer with 13 seconds left.

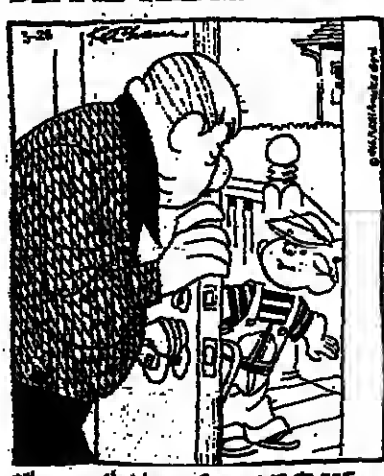
About 1,000 students from St. Joseph's made the trip from Philadelphia, out of a school enrollment of 2,300.

"You want a real challenge," Martelli asked, "see how many kids are in their 8:30 classes in the morning."

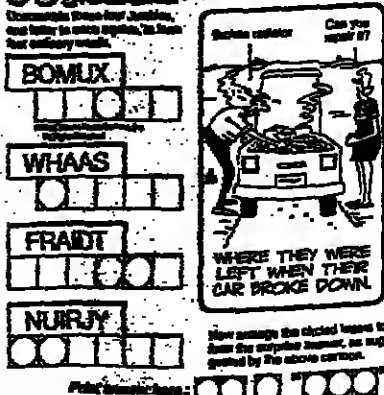
**Nebraska 90, Tulane 78** Nebraska (20-14) shot 57 percent and held off two runs by Tulane (21-10), which led, 71-68, with 5:41 to play.

Nebraska had shot 54 percent over the first three games of the NIT. Only two teams had shot better than 50 percent against the Green Wave this season.

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